Rural INDIA

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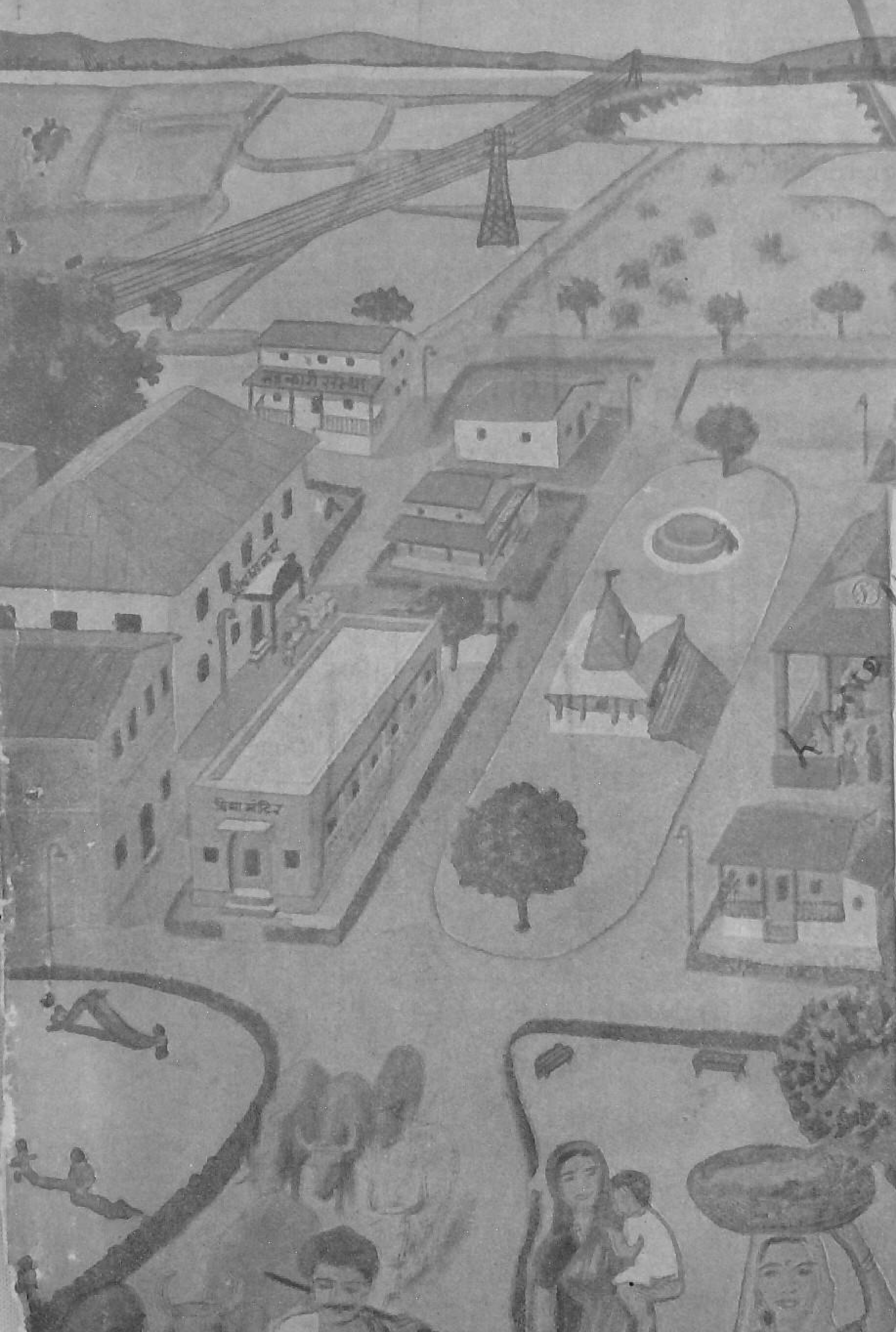

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RURAL INDIA

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"Salvation of India lies in Cottages."

—*MAHATMA GANDHI*

DESHMUKH'S EXIT AND AFTER

THE exit of Shri Chintaman Deshmukh from the Centre, at a particular juncture when the Government is faced with the difficult problem of finding financial resources to implement the Second Five Year Plan and to intensify its efforts to develop national economy, appears to be rather tragic if not ominous. Still more tragic is the realisation of the fact that the administration has not been able to find his successor for the Finance Portfolio so far and the Prime Minister in addition to his numerous other responsibilities, felt compelled to overburden himself with one more portfolio of the Finance Minister. It seems, this does not augur well for the future, in view of dearth of financial resources to execute the Second Five Year Plan, the complexities of economic life in an under-developed country and the speedy development of our national economy.

Since the issue over which he had resigned has now been amicably settled with the formation of Bombay as a bilingual State—comprising territories of both enlarged Maharashtra and Gujarat—there seems to be no reason, why the country should be deprived of the services of this talented son of India in his own specialised field of finance, especially when it does not seem probable to replace him efficiently. Prestige should not stand in the way of Government to invite Shri Deshmukh to return to his Finance portfolio or of Shri Deshmukh to accept the invitation if renewed by the Prime Minister or the Government. There is hardly any justification for Shri Deshmukh to remain out of Government when the issue over which he had resigned has been favourably decided by the national Parliament in accordance with his own wishes in the matter i.e. of making Bombay a bilingual State.

His reported decision to retire from politics due to temperamental unadjustability with the members of the ruling party, who either do not trust him or keep him out of confidence while taking important decisions in the Government, may probably be the other reason which may stand in the way to rejoin his portfolio. His own statement in the Lok Sabha, after the acceptance of his resignation provides indication to the fact that he felt hurt by the tactics adopted by his colleagues in the government to keep him out of confidence while taking decision over the issue of Bombay city in which he was obviously interested.

It seems, Shri Deshmukh, being an honest and independent type of person, felt offended by the underhand tactics played against him by his own colleagues in the Government. This want of confidence by his own colleagues in administration cuts at the roots of joint responsibility and his resignation therefore was a natural corollary to such an unfair treatment.

In an ignorant and infant democracy such as we have in this country where

politics has degenerated into a dirty game of power and profit, it was difficult for a genius of the calibre of Shri Deshmukh to adjust himself. A series of resignations which he had tendered to the government in the past over small or big issues were an indication to the fact that he did not feel happy in the present atmosphere of our government and it was anticipated that he would have to come out sooner or later. That he could adjust himself in the present set up of administration for a long period of six years was a marvel of adaptability for a public servant. All the same, one can not fail to gather impression from Deshmukh episode, that in the peculiar situation of the country, talent, specialised knowledge and experience must of necessity be sacrificed at the alter of unquestioned party affiliation.

A financial expert of international repute, that Shri Deshmukh undoubtedly is, could not continue to render his services to the country in his own specialised field of finance speaks most disparagingly of the functioning of democracy in our country. It is sad to think that the introduction of democracy has released forces of inefficiency, ignorance, indiscipline, and corruption to such an extent that the roots of good administration have been greatly undermined in the country. The situation created by wrong values and accommodation of perverted tendencies by the present ruling party have deprived the country of the services of many eminent sons of the soil, whose contributions would have immensely improved the efficiency of our administration and saved the country from impending chaos and anarchy which appear to be round the corner.

Working Of Democracy

Undemocratic and unconstitutional ways in which decisions have been taken by our Central Cabinet in very grave matters like the S. R. C. proposals have been brought to light by Shri Deshmukh in his parting statement in the Lok Sabha, which are rather revealing and show weaknesses of the working of democracy in this country. Relevant portion of Shri Deshmukh's statement reads :

"There was no consideration of the proposal in the Cabinet or even by circulation. There was no individual consultation with members of the Cabinet known to be specially interested as for instance, myself. There is no record even of a meeting of a committee of the Cabinet, and to this day no authoritative text of the so-called decision is available to the members of the Cabinet. This instance is typical of the Cavalier and unconstitutional manner in which decisions have been taken and announced on behalf of the Cabinet, by certain unauthorised members of the Cabinet, including the Prime Minister, in matters concerning the reorganisation of the States."

"In any case, I have a grievance in that I was not consulted in regard to the specific decisions announced, although as a Minister specially interested territorially and electorally at least common courtesy demanded that I should have been. My complaint is that the Prime Minister and the committee of three have arrogated to themselves powers not delegated to them by the Cabinet as a whole."

In reply to these complaints and grievances of Shri Deshmukh against his colleagues and the Prime Minister himself, the Prime Minister is reported to have made a statement in the Lok Sabha which in part reads :—

"I am also something. After all I am the Prime Minister of India and the Prime Minister is the Prime Minister. He can lay down the policy of the Government."

"I too know something of democratic procedure, about party procedure. I know something of what the Prime Minister's duties are and that in the Constitution the Prime Minister is the lynchpin of Government. To say that the Prime Minister can not make a statement is a monstrous statement itself".

"I entirely fail to understand where the honourable member has got his acquaintance with democracy and the present Constitution of India and the Constitution of England and of what the Prime Minister is, what he can do and what he cannot do."

"I am something more than the Prime Minister of this country and we are all something more. We are the children of the Indian revolution, and although we may be toned down here, and although we may forget what we did before, we still have something of the fire of that revolution in us".

If language is any indication of the mind of man, the Prime Minister's reply in the Lok Sabha, quoted in part above makes it sufficiently clear that it is the language of a *Dictator* rather than of a *Democrat*. And, if the Prime Minister feels that he is more than the Prime Minister of this country, one can easily draw inference that such a person could have no scruples to arrogate to himself powers of a Dictator or of a benevolent Monarch of old. This is also a pointer as to where things are drifting in this country and how *Dictatorship* seems to be raising its head under the cover of democracy. It is impossible for any self-respecting man with high notions of democracy to give his best to the country, where dictatorship seems to be functioning under the garb of democracy.

Fate of the Second Five Year Plan

It is yet difficult to foresee repercussions of Deshmukh episode on the financial aspect of the Second Plan and the development of our national economy. He was by far the ablest person that we have in this country to handle national finance. And his exit has created a void which it will not be easy to fill.

We are mainly concerned with the fate of the Second Plan and the development of economic life of the country. It is doubtful whether all those occupying ministerial gaddies in the Centre or in the States are greater men than the positions they occupy. But, it can definitely be asserted about Shri Deshmukh that by his own merit, he is a much greater person than a mere Finance Minister of the Government of India. He is rather a financial institution and it is a terrible loss to the country that his services could not be availed of at this juncture.

The fate of the Second Five Year Plan with its implications of high taxation, heavy public borrowings and deficit financing in a climate of increasing loss of public confidence in government's capacity to make sound and profitable investment of public finance has been rendered most precarious by the exit of Shri Deshmukh. A lesser man than he could hardly command public confidence where investments of thousands of crores are at stake. And the risk of mishandling of national finance by some less competent man than Deshmukh may lead the country into grave financial crisis from which it will be difficult to recover. (25-8-'56)

NOTES

CONSTRUCTIVE V/S DESTRUCTIVE TALENT

IT is an admitted fact that Free India needs creative talent among its citizens to discharge the responsibilities of nation-building. That this creative talent is conspicuous by its absence in the vast majority of our population or is only rarely seen in this country is also an equally well-known fact. Nine years of freedom have made it abundantly clear that we lack not only creative and constructive talent in this country but also trained and technical personnel to adequately discharge the responsibilities of national development.

That freedom will provide favourable climate for development and exercise of creative faculties has only proved to be too illusory. The advent of freedom started a race for power and profit and pushed to the front a class of people who happen to be opportunists and exploitors. Exploitation thrives best in an atmosphere of ignorance, demoralisation, political conflicts, rivalries

and destruction. Tactics employed by this new class of politicians to attain their personal ambitions have narrowed down opportunities for free expression of creative talent and produced conditions in the country where only destructive tendencies may flourish. In short, the present set of politicians guiding the destinies of this country, due to lack of elements of constructive thinking and training in their make up, have utterly failed to generate creative forces leading the country to increasing efficiency and economic prosperity.

An eminent friend of ours, who is Alas! no more now, and who during his life time was an innermost circle man of our Prime Minister and the ruling party and in whose mature wisdom and judgement we had the greatest confidence, when asked by us, a few years back in Madras, " whether there is any creative genius among the present set of our leaders in administration " replied after a short pause, 'None'. That truly expresses dearth of creative faculty among our top-ranking men whose example and creative actions should have stimulated people for high creative endeavour.

To most of the people in this country who had conceived freedom to be synonymous with high constructive endeavour, speedy advancement in every aspect of life and increasing prosperity and happiness to all classes of people, the present phase of free play of destructive tendencies appears to be the utter negation of what freedom should stand for. Freedom should and ought to express itself in disciplined action and proper behaviour. Where freedom seems to have degenerated into opportunism and exploitation of ignorant and unorganised people by politically conscious and organised ruling group, it must breed discontent, frustration and eventually conflict and anarchy. That seems to be the fate to which the country is drifting as a result of misused freedom.

Therefore, if the country is to be saved from impending disaster, forces of destruction that dominate political and social life of the community should effectively be counteracted and brought within control by superior and powerful creative forces generated in the country. There does not seem to be sufficient realisation on the part of the people as to how they were unwittingly endangering the future of the country and also of their own in the long run by adding and abetting the operations of destructive forces. This realisation along with the realisation of their patriotic duty to organise and strengthen the forces of construction and creation will herald the dawn of 'Constructive Era' in this country, which is yet to be.

Educational institutions where young citizens of free India receive their training and where the life of future citizen is being moulded are the best places to give creative turn to our educational system. In essence, creative turn means establishing balance between the education of the head and that of the hand. Earning while learning and giving equal time both for the development of mind and the productive capacity of the trainee through skilled use of his labour by hand, in short, symbolises the idea of creative training. The physical change in the method of education should of course, be backed and supported by comprehensive philosophy of creative and constructive thinking accompanied with its practical expression both by speech and action.

Free India needs practical 'Dharma' of creative life and action. Freedom will taste a thousand times sweeter when larger members of people live a life of creative thinking and action. And, that will be the dawn of real Freedom in this country.

AGRICULTURAL DEVELOPMENT IN CHINA

The interim report submitted to the Government by Shri P. N. Thapar, Secretary in the Ministry of Food and Agriculture, and a member of the official Indian agricultural delegation which visited China, is an eye opener to India. The tremendous progress made by China in agricultural development in recent years as reported by the delegation, stands far ahead of the progress made by India during the same period. We seem to be elated over the achievements of the first Five Year Plan and boast of attaining self-sufficiency in food production. But the glaring facts that food production during 1955–56 has declined by 2.3 million tons as compared with that of the preceding year and the availability of food for consumption per capita has been going down for the last two years from 18.9 ounces in 1953–54 to 17.5 ounces in 1954–55 and 17 ounces in 1955–56 and above all, that the Government is compelled to contract for food imports from foreign countries, must wake us to the realities of the situation.

Ours is an agrarian economy. The success of the Second Five Year Plan largely depends upon our success in the field of agricultural development. Our efforts have to be in proportion to our objectives. In this respect, China has a lesson for us to teach. The report says,

" The effort that is being made in China both for agricultural development and economic developments is colossal. They are investing much more funds than we are doing in India. They are using all their manpower. The whole nation has been put to work. Where we train people only in thousands they are training in lakhs. No trained personnel is allowed to remain unemployed. As soon as a student passes from a technical school or college, he is immediately put to a job. An unemployed man is considered a wasted national asset."

It is often alluded that what spectacular and quick achievements are possible in a totalitarian country are not so easy of attainment in a democracy. While under the former regime things are done under compulsion and threats of 'liquidation', under the latter, everything is done by volition or consent. True it is; but regarding the progress of China, Shri Thapar says,

"Many people say that the steel fist in the background still dominates the psychology of the people. This may be true, but I find it difficult to believe that all the progress in China is due to compulsion. There is mass popular enthusiasm and discipline in China which has very few parallels elsewhere and which cannot be the result of compulsion alone. However docile and timid a people may be, so many hundreds of millions would not allow themselves to be enrolled into co-operatives and work hard from morning to evening if they saw no good in the work they were doing. Moreover, the role that women are playing is indeed remarkable."

The causes which have led to the notable progress in China need to be carefully examined, studied and discriminately followed wherever conditions permit. The main factors which have contributed to this progress according to the report are:

1. Superior Methods

"By far the most important reason for higher yields in China is the superior cultivation practices and the harder work put in by the Chinese peasant. The intensive use of night soil and green manure is a distinguishing feature. Artificial manure, both nitrogen and phosphate, is also used.

There is a large programme for supplying materials like fertilisers and implements to the peasants. For instance, the supply of chemical fertilisers has been increased from 300,000 tons in 1952 to 1,730,000 tons in 1956 as compared to 800,000 tons in India. Tractors and other farm machinery are not encouraged. The cattle wealth, however, is poorer than India's. Most of the work is done manually and the drudgery of farming is much worse than here.

2. Larger Investment

"There is a very large investment in agriculture in China, the outlay between 1952 and 57 being Rs. 1,680 crores as against Rs. 758 crores between 1951 and 56 in India. In addition to this State investment, it is expected that the co-operative farming societies and the Chinese peasants themselves will invest about Rs. 2,000 crores.

Credit is available to the Chinese peasant on a much larger scale, and he can get loans without any difficulty or delay. India also must devise methods by which more credit is available at a reasonable rate of interest without any harassment or delay.

3. Greater Irrigation

"The Chinese have a very large programme of irrigation. Fourteen million acres were brought under irrigation between 1949 and 1955. Another 27 million acres are to the irrigated in 1956. The major and the medium projects are undertaken by the State, and the minor projects by co-operative farms with the help of loans and technical assistance from the State.

4. Market Facilities

"In China, agriculture has received substantial and steady impetus from the fact that both prices and markets for agricultural products have been guaranteed by the State. The State purchases all the surplus of the agriculturists at predetermined prices, and there is a definite relationship between the prices of competing crops.

These prices and ratios are revised from year to year according to changes in the economic conditions of different areas and the relative emphasis put on the production of these alternative crops in the Five-Year Plan and the incentive considered to be necessary for the attainment of the Plan targets.

The Chinese planning authorities take good care that the farmers are given sufficient incentive by way of attractive prices. Between 1950 and 1955 prices were increased by 15.7 per cent. for grains, and 15 to 45 per cent. for hemp, silk, cocoon, tea, oilseeds and cotton. Herein is a lesson for India. We have been evading this most important responsibility under the fear that the problem of stabilising prices is too big for our resources and that even the United States is finding it difficult. Unlike the U. S. and like China, our surpluses are marginal, temporary and manageable. If China can solve her problem there is every hope that we also should be able to do so.

5. Very Large Staff

"There is a very large staff working in China for the development of agriculture under the Agriculture Department, the Agricultural Bank and co-operative societies. In spite of the increasing number of co-operative farms which make the work of 'extension' or 'technique popularisation' much easier for the administration, and in spite of the Chinese peasantry being definitely superior in agricultural practices, the technically qualified extension staff in the field in China is at least three times the number of village-level workers in India who are multi-purpose and have only a short training in agriculture.

The opening of more agriculture schools and colleges should be encouraged as much as possible. We should not be unduly frightened if the standard falls in the beginning. We can pull it up after a few years.

6. Intensive Co-operative Movement

"The keystone of agricultural development in China is, however, the co-operative movement. The farmers are organised in three types of co-operatives: (1) agricultural credit co-operatives. (2) supply and marketing co-operatives and (3) agricultural co-operative farms. The number of agricultural credit co-operative societies in China has increased from 103 in 1950 to 159,000 in 1955. Supply and marketing co-operatives, however, stood at 30,576 in 1955 as compared to 39,436 in 1950.

The main reason for the decline is that a number of these co-operatives have been recently amalgamated so as to make the operational unit bigger and more economic. The number of agricultural co-operative farms increased from only 19 in 1950 to 634,000 in 1955. In May, 1956, the number had already exceeded one million.

The Chinese started by concentrating on organising supply and marketing co-operatives, then followed it up by organising agricultural credit co-operatives. Soon the farmers were put in a position where they could get loans only from the credit co-operatives or the agricultural banks and sell their produce or buy their requirements only through the supply and marketing co-operative societies. It was at this stage that the party and the Government launched a very vigorous propaganda for organising co-operative farms. Here, too, the co-operative farm idea was introduced only by stages. The first stage was expropriation of lands belonging to non-cultivating owners and distributing them to uneconomic farmers and landless labourers. Self-cultivating owners of lands were left more or less undisturbed unless they had committed political crimes.

After the distribution of land was completed, the small farmers were first organised into mutual aid teams. Under this arrangement they were left in possession of their own fields. Then they were persuaded to form themselves into co-operative farming societies of an elementary type. Their lands were thrown into the co-operative pool, but

they received a dividend for the land contributed besides remuneration for the work done. As a result of land distribution, most of the farmers in China had less than one acre of land and most of them did not possess any draught animal or good plough, and since the State promised them generous assistance if they joined a co-operative farm, there was enthusiasm among the farmers for doing so.

This process was helped very largely by propaganda carried out by members of the Communist Party and also by indirect pressure put by the Agricultural Bank, the Co-operative Credit Society and the Supply and Marketing Co-operative Society. When the farmer found that by standing out he would be lost since there was no free market where he could sell and no private party from which he could get credit and supply, while, on the other hand, he could get considerable assistance if he joined a co-operative farm, he naturally did not offer much resistance.

The Chinese Communists are pressing on with co-operative farming not merely because it will increase production but because they have three other important objectives which they propose to achieve through co-operative farming :

(A) It is necessary for the survival of socialism that peasant proprietorship should be replaced by co-operative farming.

(B) With growing industrialisation, very large quantities of foodgrains will be required for feeding the urban population. It will be difficult to procure all these food stuffs from millions of individual farmers. Procurement will become easier for the Government if the small individual farmers are organised into a number of co-operative farms.

(C) It is difficult to do any crop planning for millions of individual farmers. If there are co-operative farms, their production programme may be planned so as to conform with the overall Plan of the country. In an economy like that of China, which is cut off from the rest of the world, it is very important that all the targets provided in the Plan should be fulfilled.

Collective farms of the labour corps variety with a trend towards increasing the size of the co-operative to cover about ten villages have probably solved some social, political and administrative problems in China, but they cannot yet be said with certainty to have led, on their own account, to an increase in production. At present they are working efficiently and smoothly in China, but it will take two or three years before it would be possible to say that the collective organisation by itself is responsible for a substantial part of the increase in produce."

FREEDOM FROM WANT?

By : **Dr. SHRIDHAR MISRA**

MAN strives for freedom from want. Freedom from want implies absence of want which means wantlessness. But this is not always realised. Usually it is understood that freedom from want means the fulfilment of the largest number of wants. It is seldom visualised that fulfilment or satisfaction is always followed by new wants. Thus wants multiply and so grows the action of man to satisfy such ever-multiplying and insatiable wants. In this way man in his ceaseless effort to satisfy his wants soon finds himself surrounded by endless wants and endless activity. The purpose of *all* activity is forgotten; and instead of achieving freedom from want, man is lost in the midst of wants and activities. The circle of wants and activities goes on becoming wider and wider and man is never able to reach the end of it. Ultimately he meets his own end.

Shall then we say that freedem from want is an impossibility? No. Freedom from want which can be called the *summum bonum* of life is reached by the use of resources external to man in such a manner that the inner self is so much equipped and strengthened that it does not become all absorbed in the use of external resources and instead developes a sense of detachment. The development of such sense of detachment and the achievement of freedom from want are directly related. Thus, the greater the sense of detachment a man developes the greater is the freedom from want that he will feel.

To develop such sense of detachment man has to give up the wrong notion that freedom from want lies in the satisfaction of the maximimum number of wants. Secondly, man has to remind himself constantly that he *has to* give up all resources that surround him sooner or later. It is more desirable to give up things voluntarily than to face forced alienation because the latter is painful and the former is peaceful. It is then to be conceived that no amount of goods can be adequate to meet the total needs of mankind and therefore, the vain effort to maximum production, the end of which is not visualised, has to be redirected in a different channel. It should be canalised, for training the mind so that the latter may prove stronger than the external stimuli or environment.

Man must feel satisfied with what he has rather than try to get what he does not have by all possible means. The former method takes man nearer and the latter away from the ultimate aim. The former is contentment and the latter negation of it. Mere presence of contentment does not mean absence of activity. The use of resources or activity will continue. But the nature of activity and the manner in which the resources will be utilised will be different. The resources will be used for the promotion of higher values and virtues of life which will lend support to the realisation of the ideal that freedom from want means abstinence and abandonment. Unless this idea is practised and realised, freedom from want can only be an empty dream.

Freedom from want or wantlessness should not be confused with poverty or misery. A man in poverty suffers from absence of goods and therefore he can't practise abandonment because he has nothing to give up. Therefore man's readiness to give up what he *has* constitutes the essence of freedom from want.

GREEN MANURING HAS RESIDUAL EFFECTS

EXPERIMENTS show that green manure has a marked effect on the yields of the crops grown in rotation with it.

In recent experiments, it was seen that the yield of both wheat and maize, grown in a sunnhemp-wheat-maize-wheat rotation, increased remarkably because of green manuring with sunnhemp.

The increase in yield of the crops in rotation makes green manuring an economically sound practice to follow—ICAR

INDIA'S FOOD POTENTIAL

EXTENSIVE CULTIVATION-I

By : **P. C. BANCIL**

THERE has recently been a good deal of controversy about the food targets for the Second Five Year Plan. This was one of the moot points discussed at the Mussoorie Conference. In the context of all this it would be worthwhile to examine the potentialities of food in India. The possibilities of both extensive and intensive cultivation here are vast. We propose to discuss in detail in this article the food potential of the country as a result of Extensive Cultivation. Intensive cultivation methods will be examined in subsequent self-contained articles, each dealing with rice, wheat and coarse grains.

There has been in the past a good deal of controversy on the possibilities of extensive cultivation in India. The Royal Commission on Agriculture stated that "much of the slightly larger area classed as 'culturable waste other than fallow', amounting to 152 million acres or nearly twenty-three per cent of the total area of British India, could, in no conceivable circumstances, be brought under tillage[1]." Bowley and Robertson[2], Dr. Gyanchand[3], Dr. Radhakamal Mukerji[4], the Foodgrains Policy Committee[5], Dr. B. V. Narayanaswami and P. S. Narasimhan[6], Dr. V. Wilcox[8] and Dr. Ghosh[9] also held practically the same view. According to them the scope for any further extention was limited as all land suitable for cultivation had already been taken up.

Contrary opinion was, however, held by many. Dr Maclagan Gorrie of the Indian Forest Service estimated that some 170 million acres of 'Barani' (land dependent on rains only) and waste could be brought under cultivation.[10]. Mr. Higginbottom[11] and Sir Pheroze Khareghat[12] also placed reliance on extensive cultivation.

Past Position

The Food Grains Policy Committee reported that the question of extensive cultivation had been approached haphazardly in the past and that no clear cut programme of development[13] had been drawn to tackle the problem. Much could not thus be achieved by way of extensive cultivation for a long time. The Planning Commission confirmed later that over a period of about 40 years ending 1946–47 the net sown area had not increased appreciably, except in Uttar Pradesh.[14] This is

1. Royal Commission Report, op *Cit.* p. 605.
2. Bowley and Robertson, op *Cit.* pp. 41-42.
3. *Op. Cit.* pp. 255-56.
4. Food Planning for Four Hundred Millions, *Op. Cit.* p. 11.
5. Foodgrains Policy Committee, 1943, p. 25
6. Vol II, *Op. Cit*, p 211.
8. Acres and People, p. 153.
9. Dr. B. B. Ghosh, Economics of India and Economics of Pakistan 1949 - pp. 65-66. Also see Warren Thompson, Population - A Study in Malthusianism' quoted By B. T. Randive, *Op. Cit.* p. 27.

10. Paper read at the Fourth Meeting of the Crops and Soils Wing - 1944

11. Quoted by S. Chandrasekhar, Population Pressure in India, Pacific Affairs - June 1943, p. 180

12. Memorandum on the Development of Agriculture and Animal Husbandry in India, Advisory Board of the ICAR, 1944, p. 23. Sir Khareghat said that in India as much as 100 million acres of land could possibly be brought under cultivation. Also see V. G. Panse, Report on the Scheme for the Improvement of Agricultural Statistics, pp. 49-53, for similar views.

13. Foodgrains Policy Committee, Final Report, 1948, p. 10; for details about the reclamation scheme refer to pp. 29-40 of the Report.

14. The First Five Year Plan, *Op. Cit.* p. 154. Dr. Burns (Report, *Op. Cit*, pp. iv and 27), however holds that as much as 3.1 million acres, were reclaimed in 1942-43. There are also examples of 'Cho' Reclamation Societies having done wonderful work in Hoshiarpur District of the Punjab. The number of these Societies increased from 28 in 1939 to 134 in 1943 and the area reclaimed went up from 29 to 82 thousand acres during the same period. Refer (Eastern Economist - Vol II No 11, pp. 331–32)

partly explained by the fact that agriculture was depressed during the period before the 2nd World War. Agricultural prices had fallen to such a level that even the existing production was finding it difficult to get a market.

Although the demand for food rose during the War, it fell to a corresponding degree for cash crops. Heavy machinery needed for reclaiming waste land was not easy to obtain and on top of that the whole process was regarded as uneconomic. Ordinary cultivators found such waste lands absolutely unsuitable for cultivation and they had no resources to reclaim them.[1a]

It was only at the end of the war that India could get 300 tractors from the U. S. and other Allies and embarked on reclamation work. The inflationary spiral released in 1946 also made it economical to bring new areas under cultivation.

But our recent experience, particularly in the post-independence period, has proved that the findings of most of the earlier economists were based on wrong premises. Their pessimistic opinion has been belied by the fact that 50,000 acres of damp malaria-ridden tarai jungles in Nainital District are now bubbling with activity.

The Central Tractor and State Tractor Organisations had also reclaimed a total of 2 million acres of land by 1950-51.[1] Table I gives details of the land reclaimed upto 1954 by Central and State Tractor Organisations.

TABLE I

LAND RECLAMATION-1947-48 To 1953-54.

Year	Central Tractor Organisation**						State Tractor@ Organisations	Grand Total
	Madhya Pradesh	Punjab	Uttar Pradesh	Madhya Bharat	Bhopal	Total		
	(In Thousand Acres)							
1947-48	7	–	25	–	–	32	50	82
1948-49	38	7	21	4	–	70	65	135
1949-50	29	7	13	12	17	78	759	837
1950-51	100	–	42	39	104	285	504	789
1951-52	72	–	57	45	79	253	420	673
1952-53	63	–	51	91	61	266	258	524
1953-54*	90	–	51	60	60	261	N.A.	261
Total	399	14	260	251	321	1245	2056	3301

* Targets

@ Dr. P. S. Deshmukh's Circular Letter No. XVIII, p. 69.

** By courtesy of the Directorate of Economics and Statistics, Ministry of Food and Agriculture.

Besides this a total of 3 million acres of private waste lands have also been reclaimed by the owners themselves, but details for these are not available.

Encouraged by these achievements, the Planning Commission laid down a target of 7.4 million acres including fallow lands, for reclamation during the period of the First Five Year Plan.[2] The Second Five Year Plan provides for the reclamation of another 6 million acres.[3] Surely all this is encouraging.

While formulating estimates of the total area that can be reclaimed, we have to examine very closely land utilization

1a. Dr. S. R. Sen, Paper, *Op. Cit.* p. 528.

1. India, September 1952, Her Majesty's Stationery Office, 1953, p. 61.

2. The First Five Year Plan, *op. cit.*, p. 222.

3. Proposals for the Second Five Year Plan, Agricultural Sector, Ministry of Food and Agriculture, May 1955, p. 34.

statistics. Efforts are, therefore, being made to carry out a comprehensive survey of the land of the country. Although a Land Census Commission has been formed, not much progress has been made so far.[1] (a) Under the circumstances we will have to rely on the existing data.[1]

Land Utilization Statistics

On the recommendations of the Committee on 'Co-ordination of Agricultural Statistics in India,'[2] land utilization statistics were reclassified by 19 States with effect from 1950-51. Five more States introduced the new system from 1951-52. Table II gives a split up of the total land area of the country.

Table II

Land Utilization Statistics For 1951-52.

		Million Acres.
Area according to Surveyor General		810.8
Area according to village papers		703.8
Forests		109 9
Not available for cultivation		
Non-agricultural uses	30.7	
Barren and unculturable	55.4	
Total		112.3 *
Other uncultivated land excluding fallows		
Permanent pastures	20.8	
Miscellaneous	33.5	
Culturable waste	58.0	
Total		112.9 **
Fallow Land		
Fallow lands other than current fallow	28.5	
Current fallow	31.9	
Total		69.2 ***
Net area sown		296.4
Total cropped area		330.1
Area sown more than once		33.7

* Includes 26.2 million acres for which details are not available.
** Includes 0.6 million acres for which details are not available.
*** Includes 8.8 million acres for which details are not available.
(Adapted from Indian Agricultural Statistics—1951-52, Vol. I, Op. Cit., pp. 28-29).

Uncultivated Land Excluding Current Fallows

Besides the area not available for cultivation, with which we are hardly concerned,[3] other uncultivated land, excluding 'current fallow', has been subdivided into three categories[4] :

1(a) Article by Danial Thorner. The Fate of Census of Land Holdings, AICC Economic Review, Independence Anniversary Number, August 15, 1955, pp. 75-78.

1 An interesting sidelight on India's cultivable waste is provided by comprehensive survey carried out in the Kheri District of U.P. at the instance of the Government of India. It showed that nearly 47 percent of the area categorised as cultivable waste was being put to some use or the other. (Quoted by A. K. Sur, Natural Resources of India, p. 102). Similar were the results in the four Districts of Madras. J. G. Anand, Reclamation and Settlement of New Lands in India, Agricultural Situation in India, September 1954, pp. 347-48. Although these scattered findings cannot be generalised, they emphasize the necessity of such a survey, to enable us to find out the correct position.

2 Report of the Technical Committee—September 1949, p. 113.

3. The Royal Commission on Agriculture (Report p. 605) had doubts even here when it was pointed out "it is difficult to believe that the whole of the vast area now classed as 'not available for cultivation' amounting as it does to 150 million acres or twenty-two and a half per cent of the total area of British India is either not available or not suitable for cultivation".

4. Indian Agricultural Statistics 1951-52, Vol. I (Summary Tables), pp. (ii) and (iii).

(i) Permanent pastures and other grazing lands have been defined as all grazing lands, whether used as permanent pastures or meadows. Village common and grazing lands within the Forest Areas also come under this head.

(ii) Miscellaneous tree crops and groves not included in the net area sown. This is all cultivable land which is not included under the net area sown but is put to some agricultural use. Lands under Casurine trees, thatching grasses, bamboo bushes and other groves for fuel, etc., which are not included under orchards are classed under this category.

(iii) Culturable waste includes such lands as may either be fallow or be covered with shrubs and jungles which are not put to any use. Many of such areas remain unassessed and lie in isolated blocks or within cultivated holdings. All lands which have not been cultivated for five years in succession have been termed as old fallows and are included in this category.

The definitions given above indicate that from among the three categories mentioned, the first two seem to be out of consideration for our purpose. Either they are already being applied to some useful purpose or are in such a condition that it is not possible to bring them under cultivation. But economists like Prof. C. N. Vakil claim that 23 to 29 per cent of the total land, excluding that which is "definitely known to be not available for cultivation and the fallows", can be brought under cultivation.* No wonder then if some of the areas under the second category are also brought under cultivation. We will, however, take note of only the third category, i.e,, "culturable waste".

Culturable Waste

There are 113 million acres of "other uncultivated land excluding fallows" in the country. Of these, besides 20.8 million acre of "permanent pastures", another 33.5 million acres have been shown under miscellaneous tree crops and groves not included in the net area sown and 58 million acres as "culturable waste".

It has been calculated that about 20 to 25 million acres are such as would be economical to bring under cultivation.[1] We are thus left with nearly 33 million acres out of the "culturable waste". In this category are included the 'Usar' or alkaline lands and old fallows.

Usar Lands—The exact area of these lands is not known. But vast areas are lying unattended and a number of experiments have been made to reclaim such areas. Mayadas gives a graphic description of the work done in this direction by Bishan Man Singh of Bilanda Farm, Fatehpur[2]. At Chakeri, near Kanpur (U.P.), the Department of Agriculture has also conducted experiments to reclaim some 22 lakh acres of 'Usar' land. A major portion of this reclamation work has been done and vast tracts of 'usar" land have been converted into highly productive farms[3].

We cannot, however, place much reliance on this work of reclaiming 'usar' land, as no organized effort has so far been made in this direction on a mass scale. Though the cost of reclaiming 'usar' land is very high, it should not be difficult to bring under cultivation about 1 or 2 million acres of such land.

Old Fallows—There are approximately 10 million acres of old fallows in the country. According to the Ministry of Agriculture, " they are first class grain producing areas. Most of them lie in regions where the average rainfall is of such

* Quoted by O. H. K. Spate, India and Pakistan; A General and Regional Geography, 1954, p. 202 (Foot Note). He himself (p. 202) estimated it at 25 per cent.

1. Land Reclamation, Govt. of India, Ministry of Agriculture, 1949, p. 1.

2. Mayadas, C, Between Us and Hunger, 1954, pp. 51-52.

3. The Indian Express, October 18, 1954.

intensity as to ensure successful cultivation of the crop under rain-fed conditions". There can, therefore, be no justification for these lands to remain uncultivated.

The weeds that normally grow in these areas are 'kans' and 'hariali'. 'Kans' is found throughout India upto a height of three to four thousand feet. But it thrives best on damp heavy clays as are met with in Central India. 'Hariali' is a common 'dub' grass and vast tracts of land are heavily covered with it in some parts of Bombay and the ceded districts of Madras State.

The cost of reclaiming these weed infested 'old fallows' does not exceed Rs. 40 per acre, when ploughed to a depth of one foot. If however, they are also to be cleared of scrubs, the costs will increase slightly but by and large, the figure mentioned above will hold good. In many areas where ploughing is not so deep, the cost is comparatively low[1].

Most of the 'kans' reclaimed areas require retractorization every third year, involving an expense of about one third of the original expenditure. The average cost of reclaiming these areas in that case comes to about Rs. 45 per acre. Since the cost of reclaiming these lands is within economic limits and the soil is fertile, there is no reason why we should not be able to yoke the whole of this 10 million acres.

Remaining Areas — Assuming that 'usar' lands cover some 10 million acres, we are left with about 13 million acres of other cultivable wastes about which nothing definite is known. Still it can be said on a conservative estimate that it should be possible to bring under cultivation about 4 million acres of these remaining areas.

1. Most of the data in this section have been collected from 'Land Reclamation, Ministry of Agriculture, op. cit., 1949.

Net Position — The following position then emerges from the facts discussed above:—

Areas known to be	Million acres
economically culturable	25
Usar lands	1
Old Fallows	10
Remaining areas	4
Total	40

Fallow Land—Fallow land has been divided into 'current fallows' and 'other than current fallows'. Of the 69 million acres regarded as fallow land in 1951-52, about 9 million acres have not been classified under any of the two categories.

Other Than Current Fallows—All these are lands which though under cultivation, are left uncultivated for a period of not less than one year and not more than 5 years. The reasons for keeping these lands fallow are many and varied. Some of these are: the poverty of the cultivators, inadequate supply of water, malarial nature of the climate, silting up of canals and rivers, unremunerative nature of farming, or even the fear that if they are let out to tenants, they may come to acquire permament rights in the land[2].

Most of these causes have since been removed. Water is being supplied to many more areas under the minor and major irrigation schemes, anti-malaria measures are being taken, incentives are being provided for the cultivation of these areas, and land policies are reaching some stage of finality. This being the case we can assume that a major portion of the fallow land will be brought under cultivation.

Separate data for the land under this category are not available for the period earlier than 1950-51. From the combined

2. Agricultural Legislation in India, Vol. III, Agricultural Production, *op. cit.*, pp. (vi) and (x). Also see Dr. M. B. Desai, The Rural Economy of Gujarat, p. 46.

totals of fallow lands for the years 1946–47 to 1951–52[1], we find that there has been an increase of about 12 million acres from 57.6 million in 1947–48 to 69.2 million in 1951–52. The extent of such land in 1950–51 was 69.5 million acres. One of the reasons for the slight change after 1950 may be that things are getting stabilized with the return to normalcy after the post-independence unsettled conditions. But much of this increase may not be a real one. Rajasthan, alone for example, accounted for as much as 7.8 million[2] acres of the increase in 1950–51 when new classification was started.

Relying on the available data in the year 1951–52 for which the latest figures are available, there were 28.5 million acres of such lands and another 9 million acres of fallow land about the specific classification of which we do not know. Assuming that the total area of 'other than current fallow' land was about 35 million acres (taking some 6.5 million acres under this head from unaccounted 9 million acres) it should be quite within our reach to reduce it to a small figure of about 15 million.

Current Fallows:—Current fallows are the areas which have been ploughed and tilled but left unsown normally for a year. The period which is not more than five years in any case, differs from State to State. Fallowing is a long standing practice followed to restore fertility to the depleted soil. This practice is necessary in the case of lands which are not rich and have no irrigation facilities. They are left fallow to disintegrate and aerate, and to free them from weeds. W. Burns says, "It is a kind of Sabbath Day in a rotation".[3]

1. Indian Agricultural Statistics 1950–51 and 1951–52. Both Volumes I, Summary Tables.

2. Indian Agricultural Statistics, 1951–52, *op. cit.*, p. 21.

3. Article on 'Fallows', Indian Farming, September, 1940, p. 417.

In earlier days when the science of agricultural chemistry and biology had not yet developed, only methods known of conserving the fertility of the soil were: allowing it to remain fallow, introduction of new crops and intelligent crop rotations.[2] Technical improvements and research have now reduced the necessity of leaving lands fallow.[3] In Western countries fallow has been replaced by intertilled row crops like corn, potatoes, and roots.[4] The method is, all the same, of special significance in conditions of extreme drought in dry areas.

The practice of fallowing, important and essential as it is under the present circumstances, can appreciably be reduced or done away with when more irrigation facilities become available and the method of crop rotations is adopted. There are also some catch-cum-cover crops like cowpea, pulses, groundnuts, etc., which can be grown after the 'rabi' harvest[5] instead of leaving the land fallow.

The actual area classified under current fallows during 1951-52 was 31.9 million acres. But out of the unaccounted 9 million acres of fallow land, we have allotted some 6.5 million to 'other than current fallows'. Taking account of the balance of 2.5 million acres the actual area under current fallows would thus be about 34.4 million acres. Out of a total geographical area of 810.8 million acres, reporting area in 1951–52 was only 703.8 million acres. Barring the hilly and inaccessible areas of Assam, Manipur and

2. Helen Lamb (Economic Development of India, 1954, p. 17) calls the process of fallowing as a slow and unproductive method of restoring the soil.

3. B. N. Sen Gupta in his Paper read by him before the Second Meeting of the Crops and Soils Wing (p. 198 of the Proceedings) pointed out that "Bengal soil is so fertile that if it is treated properly with deposition of fertilizing or artificial manure or sowing crops of different kinds in rotation, some fixing and other taking up nitrogen from the soil, fields may not need to be left fallow".

4. K. K. Dewett, Indian Economics, Fifth edition, p. 78. Aiyer in his Village Improvement, op. cit., p. 140 also says that the fallow rotation can be dispensed with by growing a restorative crop, like horsegram.

5. Indian Farming, February 1955, p. 15.

Himachal Pradesh and desert areas of Rajasthan, there is every possibility of our having further increases in current fallows as a result of statistical improvement. The total might even go up to about 40 million acres.

The practice of fallowing, particularly where it is economical, will however, continue. It may not be possible to reduce it by more than one fourth. The total land which we may accordingly be able to claim from this head may thus be of the order of only 10 million acres.

Total Available For Reclamation

Summing up we find that the total new area available for cultivation may be of the order of 70 million acres, as given in Table III.

Table III

Total Area Available For Reclamation.

Category	Million acres area
Culturable waste	40
Other than current fallows	20
Current fallows	10
Total	70

Net addition of food

When we study the crop pattern of the existing area even for some few years we find that Indian agriculture presents more or less a stable economy, percentage area under food crops remaining practically the same year after year. Table iv will illustrate this point.

Table IV

Area under cereals

Year	*Net area sown*	*Area under cereals*	*Percentage of 3 over 2.*
	(in million acres)		
(1)	(2)	(3)	(4)
1946-47	242.7	185.7	76.5
1947-48	245.5	169.0	68.8
1948-49	244.0	194.3	68.7
1949-50	283.2	194.3	68.6
1950-51	291.6	199.6	68.4
1951-52	296.4	200.6	67.7
1952-53*	309.8	203.2	65.6
1953-54	314.0	210.4	67.0

* Provisional.

In the past cereals have occupied nearly 68 per cent of the net area sown. On this basis, out of the total of 70 million acres that may be reclaimed, some 68 per cent, i.e., 48 million acres may go to cereals. Rounding up this figure, we may roughly take 50 million acres that may be claimed by the cereal crops. New land may not be fit for intensive cultivation. There is, all the same, every possibility that the yields from such lands may reach near about the existing standards. Not to be very optimistic, we may, however, assume that yields per acre in these so called 'sub-marginal' lands do not exceed 75 per cent of the standard yields.[1]

Our standard yields per acre for the quinquennium ending 1946-47[2] are as shown in Table V.

Table V

Standard Yields Of Cereals (in lb.).

Rice	902
Jowar	580
Bajra	437
Maize	946
Ragi	937
Wheat	828
Barley	877
Total	5,507
Average yield per acre	786.7

Working at 75 per cent of this standard yield, i.e., 610 lb. per acre, 50 million acres would thus yield us an additional 13 million tons of foodgrains.

Other Estimates

The net area sown in 1954 was 314 million acres. By adding to it the reclaimed land we arrive at a figure of 384 million acres which seems to be quite a conservative estimate in so far as the Overseas

1. W. Thompson, (Population and Peace, p. 230) says, "While the area of tilled land can be considerably extended the new land cannot be expected to yield even the present small crops."

2. Abstract of Agricultural Statistics, 1952, 1954. No standard is available for small millets.

Economic Survey[2] has estimated the total net area available for cultivation at 423 million acres and Mayadas at 400 million.[3] Dr. S. R. Sen who examined the position in the nine regions of Orissa, the Assam Hills, Tripura, North West Madhya Pradesh, East Madhya Pradesh, Vindhya Pradesh and Bhopal, stated that out of a total topographically usable area of about 135 million acres in these regions alone, at least 25 per cent should be available for reclamation and colonization[4].

Our net area sown is even less than 50 per cent of the total. As against this, in Europe, apart from Norway and Sweden and mountainous countries like Greece, Switzerland and Rumania, on an average 90 per cent of land is cultivable.[5] In a country like Finland 82 per cent of the total area is under cultivation.[6]

2. India, H. M. Stationery Office, *op cit.*, p. 157.

3. Mayadas, *op. cit.*, p. 14. W. Thompson, Population and Peace, *op. cit.*, p. 233, also stated that India could increase her tilled area by 60 per cent. This, however, would seem to be too optimistic in view of what has been stated in the text.

4. Paper, World Population Conference, *op. cit.*, pp. 528-29.

New Approach

Land reclamation operations have so far been inspired by the idea of increased food production. But the efforts are not to be slackened with the easing of food position. New lands are now required for the rehabilitation of backward landless classes. So far the factors limiting reclamation work were said to be the sub-marginal nature of new lands and the sub-marginal managerial talent of the people selected for settlement.[7] But the intense hunger of the people for land may automatically resolve this conflict of economic considerations, particularly when the landless people having no other means of livelihood are settled on these reclaimed lands. Most of the waste land now being donated under the Bhoodan Yagna is likely to be brought under cultivation when it is given free to the landless people.

5. Wadia and Merchant *op. cit.*, pp. 285

6. Population and Agriculture, Geneva, 1939, p. 12 (European Conference on Rural Life).

7. J. G. Anand, *op. cit.*, 356.

AGRICULTURAL PRICES*

By : MAHESH CHAND

"AS the years have passed the necessity of progressive price reductions as a means of expanding purchasing power and markets appears to have been forgotten, alike by business managers and economic statesmen", wrote Moulton (H. T.) in 1935 in the pages of "Income and Economic Progress"–a Brookings Institution Publication. He also wrote that "as production becomes concentrated in larger units, a policy of maintaining prices with a view to stabilising conditions and safeguarding immediate profits comes increasingly to prevail". These ideas put forward in the context of U. S. A. economy sets one thinking.

Short Period Objectives

What is the objective of planning at least in the short period? I suppose you agree that each must produce as much as he can and each must get as much as he needs. So far as agriculture is concerned, the producer ought to be able to improve upon his food-consumption and meet with greater ease his cash commitments. While leaving him a margin of such

* In this connection it is of value to read shri P. C. Bansil's article on Price Stabilisation in Agriculture ("Rural India", March 1956).

facility, he must be made to produce and sacrifice more crop-production for the requirements of non-agricultural (generally urban) population. The Five Year Planners, however, have said that "price incentive should work in the direction of encouraging a pattern of crop production which accords with the requirements of the plan" and that price-fluctuations should be "moderated". There is no mention of incentive that may be provided by a rising "standard of living". In the long run, a price-decline should not necessarily mean a decreasing standard of living. Between 1800-1900 wholesale prices in U. S. A. continued to fall. Also, as Kuznets has remarked in 'Trends and Structure in the United States' (p. 15), "The proportion of the national product of the United States saved and invested since 1870 was so limited–apparently smaller than in some other countries which were at a lower economic level and did not have as vigorous a growth—, and that the fraction saved...tended to decline with a marked secular rise in per capita product." It is therefore not sufficient to think of "appropriate changes in prices and profitability" to influence "the course of private investment"[1] in capital. The price policy must also be conducive to proper investment (or use) of labour power.

Stabilisation

Talks of stabilisation of agricultural prices also should therefore be viewed in like perspective and background. The rise in agricultural prices, which has of late been allowed to come about in the country in the name of "benefiting the primary producers" would not appear justified, partly because the benefit has been reaped by the middlemen to a greater extent and partly because greater attention to the primary producer *vis a vis* the middle class is undesirable.

1. Second Five Year Plan 1956, p. 38.

As one interested in agricultural problems I have in the past argued that there was a time when the urban population exploited the agriculturists during the thirties and that now perhaps the agriculturist is going to have his day. But that view never meant that the economic policy of the state should be similarly biassed. Also, although the middle class enjoyed lower prices in the thirties, it is less likely that they made capital out of it. The lasting benefits had really been reaped by the middlemen even then.

In Kind Economy

Stabilisation of agricultural prices is to be viewed mainly in the context of 'prices' which the primary producers have to meet. Two aspects of these 'prices' are important : (a) rent and interest charges which are cash commitments, and (b) prices of non-agricultural commodities, particularly cloth, kerosene oil and salt. So far as rent is concerned, one would emphasize the importance of introducing the option of paying rent in kind, at least rent in cereals. Rent in kind would also go to make up the stocks of food grains which appear so necessary to build up in view of uncertain monsoon. As regards interest if we come to have a system of cooperative credit from multipurpose societies which maintain godowns and stores for stocking agricultural products, interest charges may also be paid as an option in kind - the conversion being at the same rate as is practised in the case of government rent. Also, with the development of multipurpose cooperative activity and warehousing facilities the marked seasonal variation in agricultural prices should get reduced. This achievement by itself should mean, ordinarily, higher prices of agricultural produce.

Let Cloth Price Decline

Mention has been made above of cloth and it may be suggested that

cloth prices should be regulated. Let the policy be to see that greater quantities of cloth at declining prices over a long period become available to the agriculturists. May be that the flow of cloth can be arranged out of the produce of Amber Charkha, handlooms and power-looms.

Village Flows Out and Flows In

For success in this country the policy should be to minimise centralised worries. Social accounting should be done for each village starting with a rough broad counting of 'what flows out in labour, produce and money' and 'what flows in as produce and money'. It should not be difficult to assess this and a list of minimum requirements of the village be drawn up: This much more should flow in. Planning of flows and exchange rates should then be managed to meet the requirements.

The Administration

There is a danger of 'over' and 'under' assessment of requirements but where we have an efficient, sincere and honest administration one can be sure that there will be no excesses in estimates. In due course the assessment may be done by the village bodies–say, the Panchayats - and the administration shall act as a 'guide and emergency aid'.

U. P. Parities

In U. P. the Economics and Statistics Department prepares indices of agricultural wholesale prices as also indices of prices of non-agricultural commodities which an average cultivator in U. P. is supposed to buy. Then an agricultural parity index is computed by taking the percentage ratio of the former to the latter index number. It appears from the available parity indices for the period February 1955 to February 1956 that the parity index touched a low percentage mark of 63 in May 1955 and has since risen to about 80 in February 1956. This rise has been in the face of rising indices of non-agricultural retail prices.

All India Tendency

We do not have similar data on an All-India level but we do know this that between 2-7-1955 and 30-6-1956, while the index number of wholesale prices of manufactured articles increased from 370.0 to 377.0, that for food articles increased from 299.0 to 374.0; for oilseeds, from 375 to 537; and for fibres, from 407 to 470. If one takes the ratio of foodgrains indices to manufactured articles indices, one can say that the parity increased from 80 to 99. Foodgrains prices continued to show a sign of increasing faster than prices of manufactured articles.

Incidentally, unfortunately we do not have similar parity indices for urban wage earners and urban middle class families, nor does any body talk of stabilising the consumers price indices for working class and middle class. I think the time is come to pay particular attention to this aspect as well.

Keep Agricultural Parity below 100

The problem of stabilisation of agricultural prices has to be viewed in another sense also. We agree that for economic growth all must make sacrifices. Then the sacrifice must be made by agricultural producers as well and the only indicator of their sacrifice would lie in the parity indices standing at below 100 level : simultaneously the non-agricultural prices should be made to decline. While there is a planning for production, let there also be a planning for declining prices all round.

DANDABA - A MOUNTAIN OF WASTE INTO A MOUNTAIN OF WEALTH

By: **F. O. CONSER**

DANDABA has an attraction for me. It won me 32 years ago and it draws me again and again. It means so much to me that I like to take my friends along. They are coming in greater numbers and they like it too.

Dandaba has a glorious past. Ram likely found Rest and Refreshment there. Later local royalty made it a Summer Resort. Finally it became a Game Reserve. The Cave there must have sheltered Bhikkus in the long ago. It is a geologic freak of laterite rock and one deep cleft is pointed out as the most direct route to Banaras.

Two years ago I heard the call for water in Soni. The ground was dry; the people were thirsty. They wanted to dig *deeper* but I was inclined to look *higher*. I lifted my eyes to Dandaba Hill and I feel that God gave the answer and the Strength to follow the vision. Soni was in a desperate plight with little water and much of that brackish. But 11 other villages had water shortage. The answer had to come from the Heights and not from the Depths. A mountain of waste must become a Mountain of Wealth or all were doomed. Exploitation must be changed to Conservation and Destruction changed to Reclamation. The wasting of our Pasture Lands and our Forests had made Dandaba the target of overgrazing and indiscriminate felling. The Traditional Hunting Day (right after Bendur) yielded little or no Game but a prize headload of fuel.

On Tilak Jayanti we struck a blow for Economic Freedom. We marched without guns, or sticks or stones, but with tools of the soil, for we were an Army for Peace and we were 'soldiers of the soil.' The drill and the March Past was with pickaxes and kudals. The Chief Guest of Honour was Swamiji Ramchandra Bharati. Our Collector, D. S. P, Executive Engineer, District Agricultural Officer and Shri Bennekatti and Tate of the Forest Department attended. It was the finest kind of coordination. There was youth and old age in the happy throng of workers. The students and their teachers were in the forefront. They were disciplined and zealous in their work. Home Guards from Bhosa and Malgaon worked on Saturday. And the Miraj Home Guards showed skill with the weapons of the soil on Monday.

It was a weary, happy crew that slowly wended its way down the old Elephant Trail in the evening. Their feet were heavy, but their hearts were light. Everyone was glad that they had a share in the great adventure. They had volunteered to come back and it seemed fitting that we should return on the Yatra Day, Aug. 27th. We shall cultivate the trees and attempt another phase of the Renovation of Dandaba.

The weather was ideal, and the tree planting was carefully done. 150 A. C. C. lads digged 2,000 pits and planted as many trees. This was an achievement of note and confirms my long held conviction that this nation's greatest resource is its youth. They are willing workers and ready learners. This was demonstrated in Kupwad. It will prove doubly true in Dandaba. Kupwad *was* "impossible". Dandaba *is* "impossible". But for youth the "Impossible" just takes a little longer.

The S. W. exposure is so badly eroded and windswept that it will only yield to a hardy colonizer–Tarawad or the like. The N. E. exposure holds great possibilities and ought to develop easily. We selected the heights for two reasons: Its altitude that gives us rain, and in combination with trees it is unbeatable. Dandaba at 2,400′

is the "House of Rain". We hope to add 100′ and make it literally true. The rain clouds barely miss the top now, but with lemon eucalyptus at full height rains will descend with blessing. This long, and somewhat narrow, Tableland is protected by an escarpment of 25′. The 4 approaches can be easily closed to animals. Finally, the 'seeding down' process is more effective from the heights.

We placed 25 Eucalyptus as a garland around the Watch Tower. The rest of the 8,000 plantings were in Koo Babhul, Kassod, Karanji, and Sandalwood. Dandaba is ideal for sandalwood. It has its natural host in Lantana and it prospers with Kassod. We planted a few Cashew seeds in the fond hope of success. Later we hope to succeed with Teak and Mahogany. Fruits and nuts are also possible.

Water is our real problem. Dandaba gets the most and holds the least. That is why a cover is essential. It answers this long term need of every village in the area. It can be changed from sudden destructive floods to year round gently flowing streems. But as man has destroyed, so man must build up. A series of small dams is now the order of the day. These should be protected by a multitude of gulley plugs. It is going to be hard work and a lot less dramatic than Tree Planting. But the two go hand in hand and Youth will lead the March. One Dam and 12 gulley plugs is my proposal for Aug. 27th. With this dam it is possible that we could have a Water Supply for the Summer Camp 1957 of the Bharat Sevak Samaj. I have shared this hope with a few friends and have won their hearty approval. Now the idea is spreading like wild fire. It is to be my last day in these parts (for nine months), but it certainly will be one of my best and happiest.

I may not have the pleasure of living in India for the fruition of this Scheme. I have such confidence in its worth, that I am presenting a 10 year plan to various Departments of Government, to my friends, and to the citizens of tomorrow.

1957. 1 Bharat Sevak Samaj Camp in May, likely site Shidhewadi, but on Dandaba itself if water is available.

(a) To build a Skyline road from Shidhewadi to the Elephant Trail.

(b) To dig 20,000 pits as directed by the D.F.O. Satara.

(c) To construct a minor earthen dam.

(d) To erect 12 gulley plugs.

2 To utilize the Traditional Hunting Day (right after Bendur) and the first Somwar of Shrawan for Mass Shramadan and Tree Planting.

To use the 2nd and 3rd Somwars for digging of pits for the 1958 plantings and for a third minor dam. Home Guards, A. C. C. and School children to participate.

3 To utilize Dipawali, Makar Sankrant and Holi for cultivation of all trees and watering of the Eucalyptus.

4 Introduce Amli in addition to the other trees that have proved hardy.

1958 1 The Inauguration of a Summer School of Forestry in May vacation. This will be conducted by the Forest Department for Teachers, eager pupils and amateur Foresters. There will be theory and practice, field work hikes and games.

2 The programme for the Monsoon will be as in 1957.

Teak will be introduced in seed beds or in situ.

1959 1 Summer School for Forestry in May.

A.C.C. Encampment for one week to work and play in Mountain Air.

2 Introduce Contour Ploughing for Koo Babhul plantings.

3 Follow 1957 Monsoon and Cold Season Procedure.

4 Start a Grass Nursery.

5 Introduce Sissoo (Dalbergia).

1960 1 Open a Cattle Breeding Station (Co-operative).

2 Summer School, Hill Station Encampment.

3 Continue Monsoon and Cold Season Programmes.

4 Introduce Fruit Trees.

1961 1 Declare Dandaba a Hill Station.

2 Continue School and Encampment.

3 Continue Monsoon and Cold Season programmes.

4 Introduce Japanese Nuts.

1962 1 Begin work on Yamnabai Dam near Bhosa.

2 Continue Summer School and Camps, more emphasis on Nature Study.

3 Follow established programme.

4 Attempt cultivation of Thailand valuable trees.

1963 1 Begin 2nd Major Dam near Malgaon.

2 N. C. C. Encampment with classes in Forestry during Summer Vacation.

3 Usual programme for the Monsoon.

4 Introduce Fish.

1964 1 Declare Dandaba a Wild Life Sanctuary.

2 Continue Programme of the three Seasons.

1965 1 Complete the planting of the 1,000,000th Tree.

Our Demonstration Farm in Miraj will provide many of the seedlings. The Forest Department and Foreign Friends will provide seeds for experimentation. Trees are Brothers and this will be a Pilot Project in International Brotherhood.

DAIRY FARMING IN ISRAEL

By : O. P. DAHAMA

It is interesting to note that a country like Israel, very poor in natural resources like water and soil, can also be a leading country in agricultural development. The average rainfall in this country in only 19 inches per year, 2/3 of the area falls in a zone of 8 inches or below, the rains are uncertain and unequally distributed, 8 months (April to November) are almost dry, and there is no perennial river to quench the thirsty soil. Most of the cultivated land forms of sand dunes or hilly soils. But behind it there are people (the Jews), with their firm determination to make their land again a land of honey and milk, their hard work, the scientific knowledge, organization and the planning, which are clearing their way to lead them towards their goal. Really their success in the mixed-farming system and specially in dairying, poultry and citriculture is an eye-opener for the farmers of countries like India, to whom nature has provided very rich resources but still their agriculture is a mode of living rather than a business.

Milk Yields of Cows in Israel

The average milk yield per cow per lactation in this country in 1910 was only 900 kg. (1 kg. = 2.2 Lbs. or 1 Indian seer) and it has increased to exactly 6 times i. e. 5398 kg. in 1955 (Average of an Indian cow being about 200 kg.). Their Collective settlements have made much progress in this line and their average is above 6000 kg. In some Kibbutzim (Communal Collective settlements) or Kvutzot, it is even more; e.g. in Kibbutz Ein-Zurim the average of the whole herd in 1955 was 6373 kg. In Kibbutz Shuval out of 88 daughters of one bull "*Marshall* 575" 33 were in milking in 1955 and their average has been 6180 kg. per cow per lactation. In Ein-Zurim, which we mentioned above, 6 cows in 1955 have given their milk yield over 8000 kg. and one cow named as "*Sarahlah*" gave 9835 kg. in 268 days. The daily peak of this cow has been 50 kg. per day and daily average 30 kg.

As regards the highest Life Time Record of milk produce of a cow in this country "*Fania* 197" belonging to Collective Settlement Geva stood first in 1955 by giving 87971 kg. of milk in 12 laclations, i.e. 7331 kg. per lactation.

The following factors can be said to be responsible for such an enormous increase in the milk yield:—

1. Improvement of Stock by Breeding and Selection

The local breed of Israel was Arab cow, as poor in body and yield as a typical Indian cow, and so the Jewish settlers in the early twenties decided to build up their breed of Damuscus cow and local cattle with purebred Dutch and Hollestein-Friesian bulls. Breeding policy has since been Grading up System by importing purebred Dutch bulls from Holland and lately Hollestein-Friesian bulls from Canada and U. S. A.

Cattle Breeding Association :—In the early thirtees a few villages organised to solve some of their breeding problems and they formed a Committee. Later on in 1934 it became a countrywide organization called as Cattle Breeding Association of Israel. Its main functions were decided the import and sale of cattle, supply of bulls, artificial insemination, disposal of milk, to organise exhibitions etc.

Artificial Insemination Centres :—Artificial insemination has been introduced in Israel since 1934, but the well organized shape came only after 1950. The country was divided into three regions, for this purpose, and each region was provided an Artificial Insemination Centre. The aims of these Centres are: (a) improvement of cattle herds by proven sires, (b) fertility supervision, and (c) reduction of dairy expenses.

The membership is open to anybody having a cow. The fee for insemination is IL. 10 (one Israeli Pound or IL = Indian Rupee 1/- in purchasing power) per cow for one conception. The cow may have to be inseminated any number of times, but the fee is to be paid only once for one conception.

The Artificial Centres, maintain a suitable number of good bulls, laboratories for testing the semen and also for conducting some research work, artificial insemination boxes, equipment for collection of semen and transport etc. Every morning the semen is collected, tested and given to inseminators who go to visit their villages in their jurisdiction by special vehicles provided for this purpose. Daily a list is prepared in the morning in every village and these inseminators are informed about the cows in heat, that are to be inseminated. The inseminators have always with them semen from 4 or 5 bulls and before insemination the type of bull, whose semen is going to be used is decided. The inseminators maintain a diary and keep in it information about the name of the farmer,

name of the cow, age, date of insemination, bull whose semen was used and later on after one month or so the result of conception. This diary helps the head office to work out the success of insemination, the quality of bull, the payment to be made by the farmer etc. If they find that some new bull is not well fertile, they reject it.

Breeding of Bulls for Collection of Semen:—They select the best cows for bull breeding and test the bulls and then decide to grow the sons of these bulls. As they keep very few bulls the selection can be made very carefully. They keep two important factors before them—(1) better breed and (2) selective breeding. After selecting the cow and bull they inseminate the cow and raise the sons of them. At proper age they collect the semen, test it and use it on their own cows maintained for this purpose. The cows are kept under milk control and then make final selection of bulls for mass breeding.

Progeny Testing Scheme:—It has been established by the Department of Agriculture and the Cattle Breeding Association of the country since 1951. It is based on dame-daughter production comparisons. Data are collected and analysed by the Animal Improvement branch of the Department of Agriculture.

Progress of Artificial Breeding:— At present about 80% of cattle breeding in Israel is artificial. In 1955, 72% of the cows artificially inseminated conceived in the first insemination. The following table shows its progress during the last 6 years.

Year	No. of settlements	No. of Associations	No. of cows inseminated	No. of cows per bull	No. of cows per inseminator	No. of bulls
1950	138	19	14,880	—	—	70
1951	170	15	20,000	330	800	60
1952	265	14	25,726	310	920	82
1953	293	10	27,594	420	1200	66
1954	453	8	36,207	550	1300	66
1955	479	8	42,834	610	1500	70

2. Management

Nearly all the collective settlements have modern cattle sheds, fitted with all necessary equipment like automatic water supply, light, sprayers, washing, mechanical milking plants, cold storage and they have their own tankers for transporting the milk to the processing plants. In workers' co-operative small holders' settlements (called as Moshavi Ovdim) and small holder settlements (Moshavim), either the farmers have installed their own dairy buildings or they have been provided the equipment of standard quality and type by the Jewish Agency of the Agriculture Department. In all Collective farms (Kibbutzim or communal collective settlements and Moshavim Shitufim combination of Kibbutzim and Moshavim) the dairy managers are well trained and experienced men. In other farms the farmers have been given training by the Jewish Agency or the Agriculture Department instructors.

3. Feeding

The dairy animals are fed in stall and artificially irrigated pastures are maintained for grazing these animals. Fodders are raised according to the plans prepared by the experts, and care is taken for feeding the green and dry roughages in the required quantities. The supply of concentrates, is either made by the Government through the marketing organizations according to the prescribed formulae or if the settlement prepares its own mixture proper regard is given to all constituents like grains, oil-cakes, fishmeal or meat meal, citrus peel,

salts, calcium, and sometimes milk powder if the settlement or farmer can afford.

4. Veterinary Aid

All the cattle in the state have to be insured with the National Organization for the maintenance of cattle health. The veterinary doctors either visit their villages daily or have to be within the easy approach of the farmers. At the time of outbreak of some epidemic, special care is taken that no car, cart or person etc. may enter any village without disinfection bath or dip. Very few cases of any disease are noted.

5. Marketing of Milk

On account of efficient arrangements, no farmer is required to bother much about the sale of produce and purchase of things required by him. There are countrywide organizations like Tnuva, Hamishbir Hamerkazi, Tena etc. which make arrangements for all with a very little margin for their running. Tnuva markets about 75% of the farmers' produce in the country. For milk it has 9 big processing plants in various parts of the country. The biggest is at Tel-Aviv, having a daily capacity of handling 200,000 litres of milk It maintains chemical Laboratories, pasturising plants, bottling and separation equipment etc. Recently with the help of UNISEF they have installed big bottling plants in their new buildings. The payments to the producers are made on fat and acidity tests. The quantity of milk handled by the organization increased from 35 million litres in 1949 to 63 million litres in 1953.

6. Extension Work

The Extension Department of the Ministry of Agriculture, with the help of Dairy Department and the Cattle Breeders' Association, makes propaganda regarding the development of the industry. It arranges for the publications, news reels etc. and organizes exhibitions and competitions. Three prizes - (1) for the best herd in Israel, (2) for the best bull, and (3) the best milking cow are provided every year. Government gives subsidy to each producer of milk.

Breeding of Beef Cattle :— The population of the country needs more beef and so it has a great scope of development. In 1951 the Ministry of Agriculture imported from England and U.S.A. Herford cattle for it. Cross breeding is being done with local Arab Breeds and also with Brahmin Cows originally from India. The Herford cattle in this country proved very good grazers and in south there are vast fields for it. These bulls also proved very fertile. The breeding season has been confined to the months–March–June in order that the cows should calve during the rich pasture season. Calves born in summer suffered from the heat and the milk yield was low due to poor quality of pasture.

The cattle are tested against T. B., Anaphasmosis and Anthrax. During the hot period of the day Herford cattle showed slight signs of distress reflected in heavy breathing and salivation, but this did not affect their grazing nor their general development. In summer the average body temperature of Herford cows remained 39.3° C. The Herford cows suffered greatly from eye-sickness during the hot season. The local breed known as Arab crossed with Herford resulted in healthy, well developed offspring possessing the quality to endure heat. It has been experienced that the crossbred calves develop better during the suckling period and in dairy animals also it was found out that local acclimatised cows produce higher yields than purebred Herford cows.

A Suggestion for Countries Having the Same Climate :—After this survey, as an Agricultural Economist, the author would like to suggest to the farmers and the authorities concerned, to take advantage of the success made in this country. As their cows and bulls have now passed the experimental stage and have been acclimatised to the hot climate, the countries like India, Pakistan, Egypt, Jordan, Saudi Arabia, Iraq etc. which fall in the same climate zone, can import the cows and bulls or semen for artificial insemination, from Israel.

PRICE TRENDS DURING THE FIRST PLAN PERIOD

By : **SUNDER DASS**

THE Study of price trends during the First Plan period is important for two purposes. Firstly, it shows the movements of real National Income of our country during the Plan period and secondly, how far the Plan has been successful in reducing the intensity of inflation which was generated by the Second World War in our economy. During the period under study, the prices have shown five types of trends: rising, falling, rising, falling and rising.

First Phase: "Korean War Boom"

On the outbreak of the Korean war, the world price level began to go up. The Indian price level was also affected by the boost in the world prices. In the initial stages of this 'Korean War Boom' the Government of India adopted two steps to save her economy from the steep rise in the level of prices abroad. They were (a) the Eight point Programme in August, 1950, (b) The Amendment to Essential Supplies (Temporary) Act. These official measures were of no avail as the subsequent course of events showed. India became vulnerable to international influence. The Indian prices began to shoot up. The main factors responsible for this boom were (a) The participation of China in the Korean War, (b) The increase in the money supply to the tune of Rs. 189 crores, (c) The severe rise in the prices of raw Jute and jute manufactures due to increase in their demand which appeared just after the decontrol in the prices of jute goods. This decontrol policy was the consequence of the Indo-Pak Trade Agreement (Feb. 1951). These boomist conditions continued upto June 1951.

The Second Phase: "1952 Slump"
(July 1951 to May 1952)

From July 1951 onwards, the prices began to sag down. This is shown by the following General Price indices :—

April	1951	—	456
Jan.	1952	—	429
May	1952	—	367

From these figures it is evident that there was a sharp fall in the price level. The main causes for this slump were as follows :—

(1) The slump in the World Trade due to the cessation of the Korean War.

(2) The decrease in the money supply during the year 1951–52 to the tune of Rs. 171 crores. This decrease was caused, firstly, by the raising of the Bank rate in the last quarter of 1951 and secondly, by the suspension of purchase of securities by the Reserve Bank of India.

(3) The Two Million Ton Wheat Loan from U. S. A. This helped in mopping up of the surplus purchasing power generated by the 'Korean War Boom.'

(4) The relaxation in the import controls on industrial raw materials which were effected in order to stimulate the growth of industrial production in the country. The slumpish conditions continued upto May 1952.

The Third Phase: Rising Trend
(May 1952 to Aug. 1953)

In May 1952, the falling trend of prices was reversed and after this, the prices began to soar up again. This is shown by the following indices :—

May 1952	367
August 1953	410

There was a rise in prices but the rise was not very sharp. The main factors responsible for this phenomenon are stated as follows :—

(a) The increase in the prices of food-grains due to failure of rains and famine conditions in various parts of India.

(b) The upward revision in the controlled prices of pig iron.

(c) The relaxation of controls on the production and distribution of cloth, sugar, and many categories of iron and steel.

(d) The rise in the prices of export commodities, such as, jute manufactures, raw-hides etc., due to heavy demand from abroad.

The Fourth Phase : Falling Trend (Sep. 1953 to May 1955)

The rise in prices continued upto August 1953. Afterwards, the prices began to decline with a good speed. The following indices are given in order to show the speed of falling trend during this period :

August 1953	410
March 1954	394
May 1955	342

The increase in the production of agricultural and industrial goods and the restrictions on the exports of certain goods, such as short-staple cotton and ground nuts, were the two main factors responsible for the creation of the slumpish conditions in our economy. There was a gratifying improvement in the output of agricultural goods. This is clearly shown by the following yearly indices related to the agricultural production.

(Base 1949-50 = 100)
1952-53 = 102
1953-54 = 113
1954-55 = 121

There was also a marked increase in the industrial production. The index number related to industrial production rose from 135 in 1953 to 146 in 1954.

Nature of the Fall

The slump in prices was different in nature from the '1952 Slump' which resulted after the Korean War. In the slump of 1952, the fall in the prices was mainly in the manufactured and semi-manufactured goods. But in this slump, the main fall was in the prices of agricultural commodities. Between June 1954 and June 1955 the percentage fall was

(a) Food Index	18
(b) Cereal Index	15
(c) Pulses Index	24
(d) Industrial Raw materials Index	12
(e) Semi-manufactured articles Index	7
(f) Manufactured goods Index	2

From these figures, two facts may be noted. Firstly, there was a severe fall in the agricultural prices and very little fall in the prices of industrial goods. This thing resulted in lowering the real incomes of agriculturists. Secondly, the fall was heavier in food items than in non-food items.

As the slump was very harmful to the agricultural economy of our country, the Government of India took immediate steps to save it from complete collapse. These steps were as follows:—

(1) The removal of Zonal Restrictions on movement of wheat with effect from 16th March 1955.

(2) The permission to flour mills in Bombay and Calcutta to purchase wheat in the free market upto their requirements of 6 months.

(3) The advance of Rs. 12 crores to the State Governments for purchasing wheat on behalf of the Centre wherever price of wheat fell below Rs. 10 per maund.

(4) The ban on the imports of foreign wheat by flour Mills.

(5) The decision to permit exports of wheat products such as Atta, Maida, Suji and Rawa obtained from coarse grains.

(6) The price support for grains which was of the order of Rs. 6 per maund.

(7) The lifting of controls on the distribution of cotton.

These steps had very salutary effects on prices and after June 1955, the price level of the country began to move up.

Fifth Phase—Rising Trend (June 1955 to April 1956)

The speed of rise in prices was marked with great concern as the rise was specially in agricultural commodities. The factors responsible for the swift upswing in prices were: Poorer crops than last year owing to heavy floods; cyclones and untimely rains; increase in the money supply to the tune of Rs. 200 crores during the year 1955 and return of speculators to the stock, bullion, and commodity markets on expectations of further heavy expansion in money supply during the operation of the Second Five Year Plan.

Conclusion

The writer has drawn three conclusions from the above study. They are: firstly, the General Index during the period between June 1950 and Dec. 1955 fell by 7%; Secondly, the fall in the price of foodgrains index was the greatest, i.e. 19.6%. This fact shows that the Nature played a more important part in reducing the prices during the period under study. Thirdly, the last phase relating to the boomish conditions in the country will continue in future for a sufficiently long time as the Second Five Year Plan has envisaged a big amount of deficit finance.

DECIMALISATION OF COINAGE

By: **PROF. C. L. KHANNA**

AS India enters the seventh year of economic planning on the 1st April, 1957, a new chapter will be written in the annals of Indian currency. The existing system of coinage, which had come into vogue in terms of the Court of Directors' despatch dated 25th April, 1806—about a century and a half ago — will yield place to the Decimal System of Coinage.[1] This change over will enable India to fall in line with 50 other countries [2] in Europe and Asia. She will thus get herself entrenched in the comity of nations from the monetary point of view as she has done politically.

Evolution of Coinage System in India

The proposed change in the Coinage System is in conformity with our traditional developments. It was some 2,000 years ago that India made the discovery of Zero, which is germane to the metric system of weights, measures and coinage. We may, with propriety, quote here the observation made by Laplace, the great mathematician:

"It is India that gave us the ingenious method of expressing all numbers by ten symbols, each receiving a value of position as well as an absolute value; a profound and important idea which appears so simple to us now that we ignore its true merit. But its very simplicity, the great ease which it has lent to all computations, puts our arithmetic in the first rank of useful inventions; and we shall appreciate the grandeur of this achievement the more when we remember that it escaped the genius of Archimedes and Apollonius, two of the greatest men produced by antiquity."

The irony of fate is that India, the inventor of the Decimal system lagged[3]

1. Our Decimalisation will not be perfect because the coins of the various denominations will not be in multiples or sub-multiples of ten (Lat. decem.) with reference to the Standard Unit Rupee. This is in no way peculiar to India for in other countries (e. g. France) the actual currencies described as "decimal" do not show any rigid symmetry required under the perfect Decimal System.

2. Including Ceylon, China, Iraq, Palestine, Malaya, Netherlands, East Indies, and Thailand.

3. "The leading countries of the world (Great Britain and India are the chief exceptions) have adopted decimal coinage. The United States led

behind in adopting it in the matter of coins, weights and measures. No doubt the question of decimalising the weights and measures was taken up as far back as 1867 and an Act was passed in 1871 introducing kilogram and the meter as the standards of weights and length, but that Act remained inoperative.

The question was revived in June, 1945 and the public opinion was elicited. The consensus of opinion was in favour of the proposed change which contemplated:

(a) the rupee will remain unaltered;

(b) the half-rupee and the quarter rupee, while retaining their present shape, size and weight, would be issued as 50 "cents" and 25 "cents" coins;

(c) the existing (1942–45) lower denominations of small coins would be discarded and instead cupro-nickel coins of 10 "cents", 5 "cents" and 2 "cents" and bronze coins of 1 "cent" and ½ "cent" will be issued. (The last only if it is necessary).

But it was not until the 18th February, 1946, that a Bill was introduced in the Central Legislative Assembly embodying the above proposals. This Bill, however, lapsed with the disssolution of the Assembly in the wake of political upheavals following the historic Cripps Mission and Lord Mountbatten's Formula of partitioning India.

Three years thereafter, a sub-committee of the Indian Standard Institute recommended in 1949 that early steps should be taken to introduce "decimalised" Indian rupee. The matter, however, remained in cold storage until April, 1955, when the Planning Commision urged upon the Government of Free India the necessity and desirability of proceeding apace with the reform of the coinage system. In pursuance of this the Union Government piloted a Bill in the Parliament which was passed into an Act in August, 1955.

According to the new Act—Indian Coinage (Amendment) Act, 1955—the weight, and value of the existing Indian rupee is to remain unaltered, while the basic unit has been changed from a pie (equal to 1/192th part of a rupee) to a pice, designated as "Naya Paisa"[4] (which will be equivalent to 1/100 of a rupee). The following seven New Coins corresponding in number, but not in value, to the current ones will be issued:

Table I

Proposed New Coins	Current Coins
1. 1 Naya Paisa	3 Pies or 1 Pice.
2. 2 Naye Paise	½ Anna.
3. 5 Naye Paise	1 Anna.
4. 10 Naye Paise	2 Annas.
5. 25 Naye Paise	¼ Rupee.
6. 50 Naye Paise	½ Rupee.
7. 100 Naye Paise or 1 Rupee	1 Rupee.

N. B. It has been suggested by some critics that coins of the Denominational value of 1/8 Naya Paisa should also be issued to cover small fractions.

On the basis of this new scheme the value of the existing coins vis-a-vis the new ones will be as indicated below:

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the way (1786 and 1792) and France soon followed (1799 and 1803) her system being extended to the countries of Latin Union (1865), Germany (1873), the Scandinavian States (1875), Austria-Hungary (1870) developed in 1892 and Russia (1839 and 1897) are further adherents to the decimal system. The Latin American countries and Japan (1871) have also adopted it." Encyclopaedia Britannica, Volume 7, 14th Edition, pages 123–124.

4. This nomenclature was adopted in place of "cent" as suggested in 1946 at the instance of Shri Jawahar Lal Nehru because the term "Paisa" was familiar to the Indian masses. The epithet 'Naya' was prefixed to distinguish it from the current 'Paisa' coins which will remain in circulation simultaneously with the new coin for 3 years,

Table II

Current Coins	Value of current coins in terms of the New coins according to Government Ready Reckoner.	Value of current coins in terms of the New coins according to actual calculations.	Loss (−) or gain (+) "Naya Paisa"
1. 1 Rupee = 64 pice.	100 Naya Paisa or 1 Rupee	100 Naye Paise	—
2. ½ Rupee = 32 pice.	50 Naye Paise	50 Naye Paise	—
3. ¼ Rupee = 16 pice.	25 Naye Paise	25 Naye Paise	—
4. 2 Annas = 8 pice.	12 Naye Paise	12½ Naye Paise	−½
5. 1 Anna = 4 pice.	6 Naye Paise	6¼ Naye Paise	−¼
6. ½ Anna = 2 pice.	3 Naye Paise	3-1/8 Naye Paise	−1/8
7. ¼ Anna = 1 pice.	2 Naye Paise	1-9/16 Naye Paise	+7/16
8. 1 Pie = ⅓ Pice	1 Naya Paisa	25/48 Naya Paisa	+23/48

It will be observed that quarter rupee is the dividing line. All coins above this denomination will have proportionate exchange value and no loss or gain is involved in transactions in their cases. But in the case of coins smaller than the quarter rupee there will be some disparity in what a seller or a buyer takes in exchange for what he gives in terms of money in New coins. If a commodity 'X', for instance, is priced at two annas or one-eighth of a rupee, the seller will get 12 instead of 12½ Naye Paise as shown in Table II above. He will thus sustain a loss of half a Naya Paisa. The reverse may be the case if the seller fixes the prices of his wares in terms of the New coins and is paid in current coins.

Similarly there will be a loss of one-eighth and one fourth of Naya Paisa in exchange for the current half-anna or single-anna. Again, three annas are equal to 18¾ Naya Paisa but according to the Government ready reckoner they will be exchanged for 19 Naye Paise, which means a gain of one-fourth Naya Paisa.

These illustrations, though hypothetical, yet not far-removed from realistic life, show that the losses and gains will cancel themselves out in *ad infinitum* transactions involving exchanges of coins of denominations below four annas. The worry of a man in the street that under the New Coinage System the poor will undergo a loss is unnecessarily laboured by some persons.[5]

Alternative Suggestion

To obviate the apparent loss in transactions, Shri C. Rajagopalachari, propounded an alternative scheme in a letter to Shri C. D. Deshmukh, the Union Finance Minister, that the Paisa should be retained at its present value and the decimal system worked from below instead of from above. The implications of this new approach are :

1. that there will be "Naya Rupya" in place of "Naya Paisa" ;
2. that the Naya Rupya will be equal to 100 instead of 64 pice : or in other words, the value of the existing rupee will be stepped up from 16 to 25 annas ;
3. that the rupee-sterling ratio will appreciate from Re. 1 : 18d to Re. 1 : 28.125d or 56.25 percent.

The effect of the rupee appreciation on the domestic economy will be (a) all

5. In the letter referred to in the subsequent section "C. R." remarked : The Government Ready Reckoners ignore fractions of pies. How can any fraction of any money be left out of account in a poor country like ours ? These fractions when converted into articles of daily rural consumption are far from negligible, whatever Delhi officials may imagine.

currency notes will have to be withdrawn and replaced by new notes; (b) our home prices will tend to rise; (c) all bank balances and insurance policy amounts will have to be reduced in terms of the Naya Rupya and all wages will have to be raised to keep pace with the upward trend of price level. But over the top of it all the appreciated rupee may interfere with the normal pace of the Second and subsequent Plans.

This formula will also have an adverse impact on our foreign trade and the values of foreign assets in terms of "Naya Rupya". It may be recalled here that India had to devalue its currency in terms of dollars to the extent of 30.5 percent and keep it unchanged in terms of Pound Sterling to offset the adverse balance of payments in September, 1949. Shall it be prudent and opportune now to undo what has been done since then? Will it mean good to the poverty-ridden masses in whose name the alternative proposal is put forth by Rajaji?

The virtue claimed in C. R's formula is that there would be no need for colossal ready reckoners which might confuse even the literate persons. Secondly, there would be no difficulty in the infinite number of small transactions such as must be experienced by having 'Naya Paisa' instead of 'Naya Rupya'.

In this connection, Shri Deshmukh observed, "It is a matter of opinion as to which is the lesser evil (Naya Paisa or Naya Rupya). We thought it is far more troublesome to do that (to have Naya Rupya instead of Naya Paisa) than the discomfort involved in people getting adjusted to payments smaller than four annas. Briefly it means we have faith in the power and capacity of common man to adjust himself to new conditions". This faith of the Union Finance Minister is re-inforced by the shrewdness exhibited by the Indian citizens when the Osmania currency was replaced by the Government of India coins.

Merits of Decimal Coinage

There is no gainsaying the fact that public, illiterate as it is in majority, will experience some difficulties in the exchange of the "decimalised coins" and the "current coins" during the period of transition (fixed for three years from April 1, 1957), yet there are certain significant and compelling reasons for the introduction of the New System of Coinage.

The first and the foremost argument, as stated earlier, is the modernisation of Indian currency. India is on the brink of an industrial revolution. During the next ten or fifteen years it will have to change the entire complexion of the industrial sector in order to keep pace with other countries in the West. Many of these countries have already switched on to this system. India should also align itself with these advanced nations.

Secondly, various industries, which are in a state of flux due to the general economic growth, must be equipped with the modernised machinery. If this were done at the moment under the prevalent coinage system and were later changed to fit in with the metric system of coinage, weights and measures, the cost involved in the change-over would be heavy, indeed. India is too poor to afford this waste of capital investment, particularly because of the low capital formation.

Another reason which impells the introduction of the decimal system is that it will serve as an impetus for the bigger reform of issuing standardised metric weights and measures, the need of which can hardly be over-emphasised in the presence of chaotic multiplicity of measures in our markets. In fact, our Government has lost no time on this score. The Commercial Weights and Measures Committee of the Indian Standards Institute has already gone ahead with the designing of the types, weights and measures of metric weights to be introduced in 1958—about a year after

the enforcement of the decimal coinage in our country. The physical as well as monetary measures will thus have closer alliance.

Thirdly, the decimalised currency system will ensure simplification of accounting and facilitate calculations. It is estimated that the existing multiple denominations below the rupee viz. eight-anna piece, four-anna piece, two-anna piece, single anna, half-anna, pice and pie entail a heavy drain on time (20 percent), energy and money in business and banking offices as well as for school-going children. The New system will save all this dick and worry which in Great Britain has been done through the employment of complex type of calculating machines. It has been asked by some whether the proposed change-over is a sequel to the inconveniences and vexations faced by the public in daily calculations and whether the Government has in its possession enough evidence of public inconvenience forcing it to make the change. The objection seems to be frivolous and needs no scrutiny when we know that the Decimal System will definitely confer added advantages by virtue of its simplicity.

Whatever the reasons adduced for and against the new coinage system it is generally agreed that it aptly befits the requirements of trade and commerce in and outside the country. It is more modern, simple and convenient measure than the one inherited by us from the Britishers.

Coins Issued

It would be interesting to trace briefly the development of changes in the weights, composition and volume of the coins issued since 1835 when the present system had been introduced by the Britishers:

Table III

S. No.	Year of Issue.	Gross Weight in grains troy.	Composition of coins.	Total value of coins (approx. Mn. Rs.)	Period for which issued (in years)	Average total value of coins per annum (in Mn. Rs.)
1.	William IV 1835	180	11/12 fine i.e. Silver : 165 Gr. Alloy : 15 Gr.	163.9	5	32.8
2.	Victoria 1840	180	—do—	3521.4	62	56.8
3.	Edward VII 1903 (coined in 1902)	180	—do—	982.8	8	122.8
4.	George V 1911	180	—do—	1807.5	30	60.3
5.	George VI 1938 (coined in 1940)	180	—do—	9.8	3	3 3
	Quaternary (Discontinued from May 1946)	180	6/12 fine i.e. Silver : 90 Gr. Alloy : 90 Gr.	1067.5	3	355.8
	Nickel (From 2nd June 1947)	180	Nickel.	214.2	3 (about)	71.4
6.	Asoka Pillar 1950	180	Nickel.	18.8	..	..

While no statistical analysis is possible in the case of above figures one significant fact stands out. The volume and nature of currency issued in India changed with the exigencies of the time. It is but a corollary to say that the proposed shift from the present to the Decimal system of coinage will entail a heavy issue of new coins, and therefore the Indian mints will be geared to the colossal task of new coinage. A glance at the following figures concerning the coins issued from 1945-46 to 1953-54 will help form some idea about the magnitude of the work:

TABLE IV.

(Figures in Rs. crores)

S. No.	Year	Total coined Whole Rs.	Small coins	Grand Total
1.	1945-46	16.74	12.70	29.44
2.	1946-47	1.71	8.03	9.74
3.	1947-48	11.51	5.42	16.94
4.	1948-49	5.43	3.70	9.13
5.	1949-50	3.57	2.33	5.89
6.	1950-51	2.80	1.12	3.92
7.	1951-52	—	1.99	1.99
8.	1952-53	—	0.39	0.39
9.	1953-54	—	0.55	0.55

It appears that during the eight years ending with 1953-54 the average whole rupee coined per year amounted to Rs. 4.64 crores and a similar amount (Rs. 4.02 to be more exact) of small coins. We have now got three mints, namely Alipore Mint, the Hyderabad Mint and the Bombay Mint, whose aggregate capacity of coining is 2.5 million coins per day. The Government believes that these Mints are well-equipped to meet the emergency created by the New System.

The New Coins

As a measure of precaution, perhaps, the Government has decided that to begin with only four denominations of new coins, viz., one Naya Paisa, 2 Naye Paise, 5 Naye Paise and 10 Naye Paise, will be put into circulation on April 1, 1957. Coins of higher denominations i.e. 25, 50 and 100 Naye Paise will be issued at some later date. The current coins will also remain in circulation simultaneously with the new ones for a period of three years,[6] that is, upto 31st March, 1960, the penultimate year of the Second Five-Year Plan.

Each coin will have inscribed on its reverse a legend indicating the numerical relation with the new rupee. For example one Naya Paisa will have written on it in Hindi

रुपये का सोवां भाग.

Other coins will have similar inscriptions denoting their exchange relations with the new rupee. The year of issue and its value will also be specified on this side.

The obverse sides of all the coins will have the design of the Lion Capital of the Asoka Pillar with term 'Bharat' in Hindi and 'India' in English inscribed on them.

The metallic contents of the New coins will be as under:

6. The time limit for the exit of the existing coins is considered to be inadequate because in our country 84 percent people are still steeped in ignorance and illiteracy. Moreover most of the villages are not linked with the urban areas by modern means of communications. It will therefore be difficult, according to these critics, for the new coin to percolate into the remote villages and replace the century and a half old coinage system within a short span of three years.

Table V.

Denomination of New Coins.	Composition.	Denomination of current coins.	Composition
1 Naya Paisa	Bronze.	1 Pie piece ½ Pice	Bronze ; copper Bronze ; copper
2 Naye Paise	Cupro-nickel.	1 Pice. ½ Anna.	Bronze; copper Cupro-nickel ; Nickel-Brass.
5 Naye Paise	Cupro-nickel.	1 Anna.	Cupro-nickel ; Nickel-brass.
10 Naye Paise	Cupro-nickel.	2 Annas.	Cupro-nickel ; Nickel-brass.
25 Naye Paise	Pure Nickel.	4 Annas.	Cupro-nickel; Pure nickel ; quaternary ; standard silver quarter rupee.
50 Naye Paise	Pure Nickel.	½ Rupee.	Pure nickel ; Quaternary alloy.
100 Naye Paise or 1 Rupee	Pure nickel.	1 Rupee.	Quaternary alloy.

Conclusion

This is a brief story of how the Decimal System of Coinage, with its roots in antiquity, will come into force in our country. Currency reforms, whenever and wherever they are undertaken, pre-suppose public cooperation, especially because the coins set into circulation these days are, and so will the new coins be, token coins. Ever since Independence our national Government has set out on many social and economic reforms, but none is more crucial than the one envisaged through the Decimalisation of the Indian currency. Its success hinges upon a clear understanding of the change and its precise implications by the public.

PROBLEMS OF A GOND VILLAGE

By :, **Dr. R. K. SHRIVASTAVA**

OUR backward villages offer quite a number of problems that need immediate attention in order that the general progress may be rapid. This article confines itself to a few of the problems of a village four miles off Chhindwara. It is a small village having 60 houses with a total population of 285 persons.

The villagers mostly belong to the Gond community, with an axe as their constant companion and they use it to advantage or disadvantage to be more correct. They have not as yet learned the art of planting of trees and possibly they have not heard of Vanamahotsava. This certainly is a national failing and must be viewed in that light. Unless we rise as a nation to plant trees and useful grass right from now on and utilise all available land for this purpose, it is almost a certainty that a heavy price will have to be paid in near future for this lethargy. The village grows green vegetables including varieties of runners for which natural supporters must be provided; and nothing can better the branches of trees having a base of 2″ to 3″. These are required in large numbers by every farmer and after a particular crop are utilised as fuel. This practice needs definite improvement by a suitable substi-

tute in order to economise the cutting of much needed trees.

Agriculture is as much a business as any other. It cannot be carried out anyhow with just a pair of bullocks in hand. Providing the working capital to the farmers is the foremost problem. In this village farmers and other labourers earn just enough to have two meals daily and a change of clothes; but that is all. They cannot save enough to arrange for purchasing the improved varieties of seeds and also to pay for the initial charges that have to be paid in cash. They usually take loan at a very high rate of interest, i. e. one anna per rupee per month. It is of immense interest to note that the Government provides Taccavi at almost negligible interest and in some cases without interest; but the farmers have learnt by bitter experience that they do not gain much by it as (i) they have to pay a certain percentage as bakhsis, (ii) they have to pay visits to Tahsil quite frequently, (iii) the Taccavi is delayed in most of the cases and finally, (iv) maintenance of inaccurate account sometimes results in attachment of property although the amount may have been paid in full. The Government has been good enough to give certain concessions to the farmers in order to minimise their financial difficulties but unfortunately the intermediaries are doing their best to nullify all such effects.

Next to the fields cattle are their most important capital. The village has got about 200 heads of cattle but the veterinary service cannot be easily obtained at the nick of time with the result that there is always a possibility of serious loss in case of an epidemic. As it is, I have always found that the villagers consider it cheaper to let the cattle die rather than go on a wild goose chase entreating the authorities. The cattle in this village are kept specially for farmyard manure and it means a great loss if the cattle are allowed to die unattended.

Another source of income, besides the agricultural and garden crops, is the forest produce. Collecting Achar, Mahua, and Mahua-seed provides chief occupation to the village women and children from the month of March to June. This brings them cash income and naturally it captures their first and immediate preference as they work at their own sweet will and convenience. This has created a female labour problem at the most needed time of harvesting. The operation of obtaining Chironjee from Achar and Gully from Mahua-seed is carried out by hand. Dry-Achar can be kept during the rainy season and provides work during wet days. However there is a growing tendency to sell more and more of Achar-seeds to the dealers.

Breaking of Mahua-seed to obtain Gully is a time-consuming and laborious job. It is necessary to break the seed, if possible, on the same day, as on delay the outer covering of skin becomes soft and needs much more time and labour. The villagers are put to loss if the Gully is not sold before the rains set in, as there is Fungus growth which bags less price. At present the collection is faster than the breaking operation and invariably some seed is left over. To speed up this operation, a small machine that can be made by a village carpenter was devised by me. The usual output of a labourer is 8 pailies per day. This machine gives three times more output with the same labour. The villagers showed great interest in the machine.

I may add here a few lines for the persons who are engaged in the revival and uplift of the village industries. It is my impression that the present generation of villagers shirk hard labour. This point is very important in devising suitable machines to be used in the villages. It is a matter of feeling the psychological change in their attitude but a few examples can be given. The songs of the damsels in tune with the traditional Chakki have now disappeared in this village. The grain is taken to the

city four miles off for milling. It is well known that feeding Kadvi in large pieces is wasteful; but nothing will induce these people to cut it to small pieces before feeding the animals. Hence it seems rather a necessity that either hand machines that do not easily result in fatigue should be introduced or motive power must be provided if the villagers are expected to take any interest in the machine.

From the above discussion it may be concluded that the important problems of this village are (i) providing working capital; (ii) reorganising the veterinary services; (iii) providing labour saving machine for obtaining Chironjee and Gully in order to increase their income; and finally (iv) to infuse an interest in planting trees and grass to save top-soil from erosion.

INDUSTRIAL POLICY AND THE SECOND FIVE YEAR PLAN

By: **S. V. RAMAYYA**

ONE of the objectives of the Second Five Year Plan has been stated to be "rapid industrialisation with particular emphasis on the development of basic and heavy industries." Out of the total outlay of Rs. 4800 crores in the public sector (as mentioned in the draft), on Industries and Minerals and Transport and Communication, about 48 per cent is to be spent and adding to this figure the amount alloted to Power, the total comes to about 57 per cent. The plan allots to the private sector Rs. 2400 crores. Out of the aggregate developmental outlay of Rs. 4800 crores in the public sector, Rs. 3800 crores represent the Investment that is outlay in the building up of productive assets. Investment in the private sector would be of the order of Rs. 2400 crores. Thus the total investments work out at Rs. 6200 crores and the ratio of public to private investment works out at 62 : 38 compared to the ratio of about 50 : 50 in the First Plan period.

This brief outline of the investment outlay indicates the increasing and progressive role of the public sector in the developing economy. The draft mentions that the goal of socialistic pattern of society will be the guiding star which implies the need for reduction of inequalities and extension of public sector. We should not interpret this as implying any doctrinaire or rigid approach to the problems of planning. The 'socialistic pattern of society' envisaged implies great flexibility and means the upholding of human values and enhancing the dignity of man besides extending the scope of public sector into various economic fields for the service of the man. The draft mentions the need for both the public and private sectors to function in unison and wants the simultaneous and balanced development in the two sectors. The organised private sector should conform in a general way to the overall plan of production and investment but within this frame work it would have the fullest scope, an assured market arising from an expanding economy and all possible help and encouragement from the Government.

It is against this background that the Industrial Policy of the Government of India should be viewed.

The Government of India's Industrial Policy resolution of 1948 emphasised clearly the responsibility of Government in the matter of promoting, assisting and regulating the development of industry in the national interest. In that resolution the categories enumerated were (1) industries which were to remain as exclusive monopolies of the government and (ii) industries in which the state will be exclusively responsible for the establishment of new undertakings. At the same time it was assured that "existing undertakings in the industries specified above are to be allowed to develop in ten years, at the end of which period the matter will be reviewed and that with the exception of the generation and distribution of electric power the rest of the industrial field will normally be open to private enterprise, subject to satisfactory progress being made".

It was further stated that a "certain sector of the field represented by basic industries of importance will be planned and regulated by the Central Government on the ground that they require considerable investment or a high degree of technical skill or Central Control of location."

The New Industrial Policy has been declared only as a restatement of the Policy of 1948. Prime Minister Nehru has declared in the Lok Sabha, "The state would progressively assume a predominant and direct responsibility for setting up new industrial undertakings and for development of transport facilities.

"The state will also undertake state trading on an increasing scale. At the same time as an agency for planned National Development in the context of the country's expanding economy the private sector will have the opportunity to develop and expand". He continued, "In a socialist Democracy labour is a partner in the common task of development and should participate in it with enthusiasm. It is necessary that proper amenities and incentives should be provided for all those engaged in industry". Further the Prime Minister added, "The Aim of the State Policy will be to ensure that the decentralised sector acquires sufficient vitality to be self-supporting and its development is integrated with that of large scale industry."

The New Resolution also divides the industries into three categories as in 1948. First Schedule A—industries, the future development of which would be the exclusive responsibility of the state. In this category are listed arms and ammunition and allied items of defence equipment, atomic energy, iron and steel, heavy castings, and forgings of iron and steel, heavy plant and machinery required for iron and steel production for mining, for machine tool manufacture and for such other basic industries as may be specified by the Central Government; heavy electrical plant including large hydraulic and steam turbines, coal and lignite, mineral oils; mining of iron ore, manganese ore, chrome ore, Gypsum, sulphur, gold and diamond; mining and processing of copper, lead, zinc, tin, molybdenum and wolfram, minerals specified in the schedule to the Atomic Energy (control of production and use) Order 1953; air craft, air transport, railway transport, ship building, telephone and telephone cables, telegraph and wireless apparatus (excluding radio receiving sets) and generation and distribution of electricity. It has been stated that all new units in these industries, save where their establishment in the private sector had already been approved would be set up only by the state. This did not preclude the expansion of the existing privately owned units or the possibility of the state securing the cooperation of private enterprise in the establishment of new units.

Secondly, Schedule B.—industries which would be progressively state owned and in which the state would generally take the initiative in establishing new undertakings but in which private enterprise would also be expected to supplement. In this category of industries come: alluminium and other non-ferrous metals not included in the first category, machine tools, ferro-alloys and tool steels, basic and intermediate products required by chemical industries such as the manufacture of drugs, dye stuffs and plastics, anti-biotics and other essential drugs, fertilizers, synthetic rubber, carbonisation of coal, chemical pulp, road transport and sea-transport.

Then the third category of industries would include all the remaining industries and it is said, their future development would in general, be left to the initiative and enterprise of the private sector. But "it will be open to the state to start any industry when the needs of planning so required and there are other important reasons for it".

The resolution states that the state would give "fair and non-discriminatory

treatment" to both privately and publicly owned units in the same industry.

This in short is the gist of the resolution on New Industrial policy announced by the Government of India.

Eventhough the ambit of operation of the private sector has been narrowed to some extent, still a wide field has been left to the private sector.

The Government's policy with regard to nationalisation is to be governed by practical necessities and not by any ideology.

But this programme of industrial development and policy of the government will make large demands on the country's technical and managerial personnel. Does the country or the Government possess the necessary personnel for running the enterprises efficiently? Lack of technical personnel is a 'major bottle neck' to the rapid industrialisation of the country. The Federation of Indian Chambers of Commerce says that about 9000 engineers with degrees and diplomas come out every year of the various engineering colleges and approximately 500 Indian technicians return after training from abroad. In countries like the U. S. A. and USSR between 40,000 and 50,000 engineers are said to graduate every year. These figures merely point out the enormous lee-way we have to make up to catch up with the advanced countries.

There have been often complaints of inefficiency, wastage and extravagance in some of the enterprises run by the Government. The personnel that are selected for them should be not only technically sound but should be imbued with the spirit of service. Many of the fine intentions and hopes of the Government are thwarted by the higher and lower rung of officials by mismanagement of the enterprises. As Prof. Galbraith has rightly pointed out, "As the standards set for public enterprise are high, officials and ministers in a democratic government will always be tempted to protect themselves as fully as possible from criticism." The Government has already announced that most of the public enterprises will be run by separate corporations set up for specific purposes and there will not be interference in the day-to-day administration. This is a welcome announcement for "the productive enterprise requires that there should be an arrangement for bringing trustworthy technical or scientific knowledge and specialised experience quickly to bear on decision." Sufficient autonomy should be given to these corporations to act effectively and wisely.

Prof. Galbraith does not favour organising a new corporation for each new enterprise. His view is that the pattern of industrial organisation in India should be a relatively small member of operating corporations, each in commad of a considerable and increasing number of enterprises. Anyway this to me seems to be a questionable improvement.

Thus on the whole the New Industrial policy laid down is in keeping with the goal of the socialistic pattern of society. The location of new enterprises, where feasible in backward areas and the encouragement of small scale industries for providing employment are welcome features for the growth of the balanced economy. Sufficient laxity has been allowed for the private sector to play its part. It is necessary for the private sector to restrict its volume of profits and activity in the interests of national development. The assurances given by the government should be accepted in good faith. "The service of the community comes first, that industry should be responsible to the people for whom it ultimately functions and not to a few to whom it gives power and privilege." We are engaged in the mighty task of building our economy on a democratic basis and the hopes of the world are centred on our experiment. What President Roosevelt quoted to Britain in the worst year of the war may be used here,

"Sail on, O Ship of state,
Humanity with all its fears,
With all its hope of future years,
Is hanging breathless on thy fate."

CO-OPERATIVE MOVEMENT IN RAJASTHAN

By : **YASHWANT SINHA PUNJAWAT**

Introduction

THE discovery of the word 'co operation' was the workers' stony reply to the Industrial Revolution. At the present juncture 'co-operation' does not confine itself to bread and butter motive but aims at scientific and rational living and moral, social and intellectual development. In its wider scope, it attempts to show us the way to become self-reliant and to tackle individual problems collectively, immediately and efficiently. Amongst the economic systems of the world, the system of 'co-operatives' carries more weight and represents a happy mean between the forces of extreme Individualism on the one hand and Socialism and Communism on the other. I personally feel that 'co-operation' is a happy and lucky adventure for those whose latent talents otherwise remain undeveloped. I do wholly agree with Mr. A. P. Jain, Central Minister, who said in the Mussoorie Conference "cooperation is an article of faith".

India has chosen the path of reconciliation amidst the conflicting ideologies which sway the public mind of the nations of the West and the East. She has set an example in her peaceful political achievement. She is now attempting a gradual economic change, in a spirit of adjustment and reconciliation of interests without aiming at a complete break with the past or of the existing economic order. The test of her progress lies in the prosperity of her countrymen by setting up the socialistic pattern of society. The two extreme economic systems referred above do not suit her genius. 'Cooperation' is the only instrument which can weave the web of our nation's objectives. National plans, no doubt, aim at it. Summarizing, we may mention that 'cooperation' is a plant entirely sprung from the soil of economic necessity.

Problems

The Cooperative Movement in India is as old as Sir F. Nicholson's report. But Rajasthan's Cooperative Movement is 41 years old and the credit goes to Bharatpur where it was first started in 1915. In 1916, it reached Kotah; and Jaipur, Alwar, Jodhpur and Bikaner between 1930 and 1944. Rajasthan is the product of 21 princely states. The progress of the movement was uneven in these states. It was because of the absence of village industries, lack of education and finance and apathy to the movement from all sides, that Rajasthan had to face three main problems at the time of integration :—

1. Trained personnel,
2. Finance,

and 3. Laws.

Measures and Achievements–Before and During the First Plan Period.

It was realised after the integration that without trained workers the movement could not get spirit. For achieving this objective a Cooperative Training School was started at Jaipur in October 1951. 16 inspectors, 51 auditors and 190 assistant inspectors have been trained. Of the 9 registrars, 6 have also been trainted at the All India Cooperative Training College, Poona. One registrar is reported to have been trained at Denmark as well. In addition to all this, 80 inspectors, 15 auditors and 102 assistant inspectors were also trained under short-term scheme. Six training camps—Village Level Workers' Camp, Jobner; Adult Education Teachers' Camp, Shri Madhopur; Extension Service Camp, Sanganer; Sheep and Wool, Amla, Tadgad, at various clubs and educational institutions—were organised where 179 persons received training. 39 group sectretaries and 36 clerks were also trained in the meantime. A Cooperative Training School has also been started from Feb. 1956 at Bundi where those inspectors who are not qualified to be trained at Poona College, will be trained. Qualified inspectors will be trained at the Regional Central Zone, Reserve Bank of India. It is expected that 2624 officials will be trained during the second plan period at an estimated cost of Rs 27,97,364/–.

The problem of finance has been solved by the opening of the Rajasthan State Cooperative Bank on October, 1953, whose authorized capital is Rs. 20,00,000/–. It includes the shares of Rs. 5 lakhs, which have been purchased by the Government of Rajasthan. In addition to this the Rajasthan Government has also shares of Rs. 10,200/–

and Rs. 30,500/- in the central cooperative banks and primary cooperative societies respectively. The bank has also received Rs. 17 lakhs against the promise of Rs. 25 lakhs from the Reserve Bank of India as loan upto March 1956. At present there are 13 central co-operative banks besides one State Cooperative Bank, as against 3 at the time of integration. It is expected that every district will have a central cooperative bank at the end of the second plan. The State Bank has given loans to the extent of Rs. 17,94,100/- and Rs. 9,19,500/- to central banks and industrial banks respectively. The following chart shows the financial assistance given to the cooperative societies during the first plan period :—

Year	Amount in Rs.
1951-52	6,388/-
1952-53	20,612/-
1953-54	21,520/-
1954-55	35,000/-

In the current year Rs. one lakh have been granted and Rs. 15,000/- have been loaned. The membership of the central banks is 6448 with the share capital of Rs. 13,51,085 up to June 1955.

For a balanced development of the movement in the state a Rajasthan Co-operative Societies Act was passed which came into force from 1st. April 1953.

Rajasthan's area is 1,30,000 sq. miles with a population of 1½ crores, and includes 34000 villages. At the time of integration there were only 2677 societies in the state. 95% of the population remained untouched by the movement. Even upto 1952, it touched only 6% villages and 1% urban area. According to All-India Level the Movement should touch 50% villages and 30% cities or 17000 villages should have a net-work of societies with a membership of 45 lakhs. For achieving this objective an exhaustive plan aiming at a target of 6000 societies upto June 1956 was chalked out. It is heartening to note that we have exceeded the target and even before the completion of the first plan 6500 societies are reported to have been working in the state with a membership of 193 lakhs and the share capital of Rs. 61,29,000/-.

The Rajasthan Government is keen in intensifying the movement in the C. D. and N. E. S. Blocks, depressed and backward class people by opening multi-purpose cooperative societies and developing cottage industries of khadi, handloom, hand-made paper, wool and toys through 'cooperatives'. At present 2362 societies are working in the blocks. It may be noted that Rs. 10 lakhs were spent on the development of the movement during the first plan period.

1232 cooperative societies have been converted into multi-purpose cooperative societies, according to the latest information available. 39 Housing Cooperative Societies have also been formed and Rs. 65 lakhs have been loaned to them by the Central Rehabilitation Department. Though at infant stage, 71 Cooperative Farming Societies are working at present. In addition to 6 Sale and Purchase Industrial Associations and 36 Sale and Purchase Cooperative Societies, there is one Central Cooperative Industrial and Marketing Federation which has sold cloth and cotton worth Rs. 45 and Rs.42 lakhs respectively at the time of control. Earnest efforts are being made for the speedy progress of the federation.

Rajasthan is noted for its arts and handicrafts since long. Printing work of Sanganer, hand-made paper at various places, ivory work of Jaipur, pure khadi of Shahpura and Hindon, marble of Makrana, iron work of Nagore and toy industry of Udaipur-all are of national importance. 6 Khadi Producers' Co-operative Societies, 12 printing (on cloth) societies, 3 hand-made paper societies and 415 other industrial productive societies are smoothly working and on receiving further financial assistance according to their requirements, they will enlarge their scope and activities, benefiting a larger section of the population. 62 societies for scheduled caste and tribe people, whose number is quite large in the state, are working to raise their living and Rs. 67,350/- have been advanced to them. Besides all this 13 Transport Societies, 455 Cooperative Consumers' Stores, 160 Social Welfare Societies and 3550 other kind of societies are working in the state. At the time of integration, 18 Village Improvement Centres were working in Rajasthan. Some of them have been combined with the development blocks. The activities undertaken by them are-adult education centres, first-aid hospitals, libraries and reading rooms, social reforms, cattle-breeding, distribution of better seeds and manure, construction and repairing of wells. These centres keep

one inspector, one assistant inspector, one vaidya, teachers for adult education and one mid-wife. There are also radio sets, in every centre. 200 Bhil families are being rehabilitated on cooperative basis at Jawaharnagar in Udaipur division, whose inauguration ceremony was performed by Shri U. N. Dhebar, Congress President, on January 1956. A sugar factory has also been proposed to be set up at Mandal on cooperative lines.

Suggestions for Improvement

After examining the working of the movement in the state, we observe that Rajasthan has not made progress upto All-India Level. This is due to many limitations and handicaps such as uneven progress of the movement before the integration, lack of education, finance, initiative from the people, full-fledged publicity, more village industries and unawareness of the principles of 'cooperation'. For the speedy progress of the movement, it is necessary that the people should be cooperative-minded. In addition to the schemes included in the second plan, attention must be paid to the following:

Publicity campaigns on large scale by films, posters, pamphlets, talks in the local dialects must be organised. Concessions and facilities by the government to those who take initiative for forming societies in one way or the other must be given. There should be no delay in registration. 'Cooperation' shall be a failure, if people engaged in it have no character and integrity. In my opinion, character and integrity are the foundation-stone upon which stands the super structure of 'cooperation'. Corrupt persons must be turned out of the societies and the societies in which corrupt practices are followed, must immediately be liquidated. It is the tendency and nature of the rural folk that they never adopt a particular mode, unless they are convinced of its importance and stability. For this, teams of experts and efficient officials knowing local dialects should go in the interior and gain their confidence. Persons indulging in politics must not be allowed to participate in such undertakings unless they promise to work in the best interests of the society concerned, without any vested interest. 'Cooperation' and 'politics' can't go together. Documentry films on every phase of cooperation must be prepared in local dialects for a better understanding. Financial assistance must be given on the basis of sincere work and not on the basis of the relationship or friendship of the minister or in which the officials are interested. Consumers' cooperative stores in every educational institution must be started provided the atmosphere of faith and loyalty can be created among the participants. Besides this, ward-wise stores in cities have bright future if efficient workers with character and integrity are available. If this happens, every ward will be an ideal self-supporting colony. To summarize, I feel that Rajasthan has immense scope for the progress of the movement. Something, which is just nothing, has been done so far. In every section of the population, in every part of the state and in every phase of the human activity, cooperation has the fullest scope to develop. The greatest need is of persons with character, integrity and vigour.

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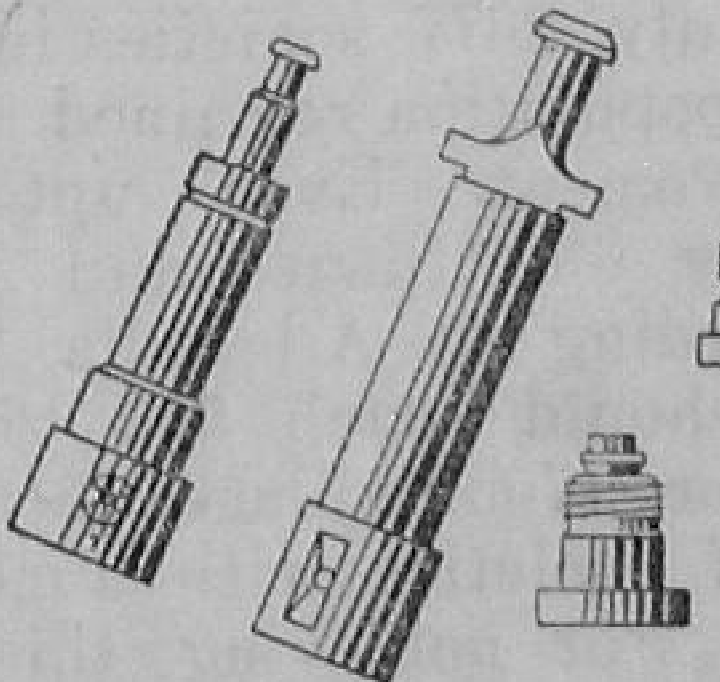
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